HOUSE OF REPRESENTATIVES.

SATURDAY, *August 15, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We praise and magnify Thy holy name, our Father in heaven, for this day, which marks an epoch in the world's progress—the opening of the Panama Canal, the greatest engineering feat extant, the gift of our Republic to all mankind, an illustration of man's wonderful capabilities. May it be an inspiration to those who shall come after us to strive for the victories of peace rather than the victories of war; that nation may vie with nation in the things which make for brotherhood; that Thy kingdom may come and Thy will be done in all hearts. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5449. An act to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 1055) for the relief of T. S. Williams, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. BRYAN, Mr. LEE of Maryland, and Mr. NORRIS as the conferees on the part of the Senate.

The message also announced that the President of the United States had on August 13, 1914, approved and signed bills of the following titles:

S. 4628. An act extending the period of payment under reclamation projects, and for other purposes;

S. 4969. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5278. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5501. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5899. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 110) to regulate trading in cotton futures and provide for the standardization of "upland" and "gulf" cottons separately.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 110. An act to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

Mr. DONOHOE rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. DONOHOE. To ask unanimous consent for the consideration of a resolution.

The SPEAKER. The gentleman will send it to the Clerk's desk.

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. DONOHOE. Will the gentleman withhold his objection for a moment?

Mr. MANN. No.

Mr. DONOHOE. The gentleman will not withhold it for a moment?

Mr. MANN. No.

REQUEST FOR LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following request for leave of absence, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAR CLAIMS,
Washington, D. C., August 15, 1914.

Hon. CHAMP CLARK,
Speaker of the House of Representatives.

DEAR SIR: I respectfully ask leave of absence for two weeks on account of important matters, both public and private. I remain,

Yours, very truly, FRANK PLUMLEY.

Mr. DONOVAN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Connecticut objects.

RESIGNATION OF A MEMBER.

The SPEAKER. The Chair lays before the House a letter from the Hon. ANDREW J. PETERS, which the Clerk will report.

The Clerk read as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 14, 1914.

Hon. CHAMP CLARK,
Speaker of the House, Washington, D. C.

DEAR SIR: I herewith tender my resignation as a Member of the United States Congress from the eleventh Massachusetts district, to take effect on Saturday, August 15, 1914.

Respectfully, yours, ANDREW J. PETERS.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5449. An act to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement; to the Committee on Ways and Means.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. Under the rule, the House automatically resolves itself into Committee of the Whole House on the state of the Union for the consideration of House bill 16673, to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, with the gentleman from New York [Mr. FITZGERALD] in the chair.

Mr. DOOLITTLE. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. DOOLITTLE. To ask if it is too late at this moment to ask unanimous consent for the consideration of House resolution 571?

The SPEAKER. The Chair thinks it is.

Mr. MANN. I ask for the regular order, Mr. Speaker.

Mr. MURDOCK. Mr. Speaker, in that case, it would take objection, would it not, if the Speaker had not left the chair?

The SPEAKER. It would take objection to do what?

Mr. MURDOCK. To stop the gentleman from Kansas [Mr. DOOLITTLE] from bringing his resolution up.

The SPEAKER. The gentleman from Kansas can not get up a resolution at all in the Committee of the Whole. The Chair had announced that the House automatically resolved itself into Committee of the Whole House on the state of the Union, with the gentleman from New York [Mr. FITZGERALD] in the chair, and the gentleman from New York had started when the Speaker was done, and the Speaker will not resume the chair until the gentleman from New York gets through.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, with Mr. FITZGERALD in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16673. When the committee rose on Thursday there was pending the amendment offered by the gentleman from Wyoming [Mr. MONDELL] to the amendment offered by the gentleman from North Carolina [Mr. PAGE].

Mr. FERRIS. Mr. Chairman, may we have the amendment reported? The debate was two or three days ago.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. PAGE of North Carolina: Page 1, line 13, strike out the words "national monuments," and page 2, line 15, strike out the words "national monuments."

Amendment by Mr. MONDELL: Page 1, line 13, strike out the words "and other"; page 2, line 1, strike out the word "reservations"; page 2, line 13, strike out the words "or reservations"; page 2, line 15, strike out the words "or reservations."

The CHAIRMAN. That is the amendment of the gentleman from Wyoming, to add to the motion of the gentleman from North Carolina, striking out certain words—certain other words.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on the amendments close at the expiration of—how much time?

Mr. MILLER. I want five minutes.

Mr. STAFFORD. The gentleman does not want to close debate on the proposition of including Indian reservations?

Mr. FERRIS. I thought we could have an agreement to get through with this amendment. We had considerable debate on it the other day.

Mr. STAFFORD. I would like to have time to debate the Indian reservation amendment offered by the gentleman from Minnesota [Mr. MILLER].

Mr. MANN. That is another matter.

Mr. FERRIS. I mean this amendment and all amendments to it. I ask unanimous consent, Mr. Chairman, that at the expiration of 10 minutes, 5 of which shall be occupied by the gentleman from Wyoming [Mr. MONDELL] and 5 by myself, all debate be closed on this amendment and all amendments thereto. I will make it 15 minutes or even 20 minutes.

Mr. MILLER. Reserving the right to object, Mr. Chairman, when the committee rose and the House adjourned I had the floor and had 5 minutes.

The CHAIRMAN. The gentleman's time had expired.

Mr. MILLER. Yes; but it was extended.

Mr. FERRIS. Mr. Chairman, there is no disposition to shut off the gentleman from Minnesota. I understand he wanted to talk on his amendment?

Mr. MILLER. I wanted 5 minutes to talk on the amendment that I had started to talk about.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 25 minutes—5 minutes to be occupied by the gentleman from Minnesota [Mr. MILLER], 5 by the gentleman from Illinois [Mr. MANN], 5 by the gentleman from Washington [Mr. JOHNSON], 5 by the gentleman from Wyoming [Mr. MONDELL], and 5 by myself. Then other amendments can be offered under the section.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that at the expiration of 25 minutes—5 minutes to be occupied by the gentleman from Minnesota [Mr. MILLER], 5 minutes by the gentleman from Wyoming [Mr. MONDELL], 5 minutes by the gentleman from Washington [Mr. JOHNSON], 5 minutes by the gentleman from Illinois [Mr. MANN], and 5 minutes by the gentleman from Oklahoma—the debate on the pending amendment and all amendments thereto close. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER. Mr. Chairman, a word further in reference to whether or not Indian reservations are included in the language of this bill.

Since the committee adjourned on Thursday I have taken occasion to again read carefully the language of this paragraph and succeeding paragraphs, and I am further convinced, and emphatically convinced, that the language does not include Indian reservations.

Furthermore, I think it should not include Indian reservations. But if there is any possibility in the mind of any gentleman here that it does include Indian reservations, I think it should be amended so as to except them.

Now, a word as to the language. The language of the bill is that it is proposed to lease, under certain conditions, portions of the territory, lands, and other property of the United States. Indian reservations could never be comprehended within an act of this kind by implication. They must be specifically included. The object of the bill is not to lease property belonging to others, but to lease property belonging to the United States; and if it is designed not only to lease property belonging to the people of the United States, but also to lease property belonging to people other than the people of the United States, the legal title of which is in the United States as trustee, why, of course, specific and appropriate language will be necessary. But in the face of the words "property of the United States" no court in Christendom, according to my opinion, would ever construe it as applying to property in the hands of a guardian belonging to a ward, or in the hands of a trustee belonging to a cestui que trust; and there is every reason on earth why it should not apply to Indian reservations. The mind almost stops in its effort to comprehend what would be done with the Indian property in the hands of the United States if this act did apply. It is proposed to do a great many things in this bill, and if it is intended that these things can be done respecting Indian property, then it is the purpose of the bill to affect Indian property in certain revolutionary ways.

As I said at the outset, this has never received the consideration of the Committee on Indian Affairs or any of the persons immediately connected with the management of Indian affairs, so far as I know, excepting that it is stated that it has been referred to the Indian Office for an opinion as to whether or not the language included Indian reservations.

Now, it is fortunate that there are several distinguished gentlemen on the Public Lands Committee who are very well versed in Indian affairs. I question whether their attention was ever directed to the fact that the terms of this bill were intended to include Indian reservations, and I question further whether they ever gave consideration to the application of the terms of this bill to the property of the Indians.

Now, just look at the thing the bill proposes to do. It proposes to lease to private citizens or corporations of any State in the Union water powers on lands for a period of 50 years. Has the Indian said anything about his desire to have his property tied up in perpetuity, it may be? Because there is a provision that after the period of 50 years the property, if not continued to the present corporation, may be bought and taken over by another, and from that time on I suppose until human life disappears from the face of the earth.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. I only got started, but I will take occasion to say something more later on. [Applause.]

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] is recognized for five minutes. [Applause.]

Mr. MONDELL. Mr. Chairman, I should like to address myself partly to the gentleman from Oklahoma [Mr. FERRIS], who seems to be busily engaged with other gentlemen.

Mr. FERRIS. The gentleman has my attention.

Mr. MONDELL. When we legislate touching the landed property of the United States, all of it, and desire to use an all-embracing term, we say "the public lands and reservations of the United States." The words "public lands" embrace all public lands, or all lands that the United States owns, except lands that are reserved for some specific purpose. The word "reservations" includes all lands of the United States set apart for some special purpose. Now, when we come to use the term "public lands" in recent times, it is necessary to use some qualifying words, by reason of the fact that sometimes public lands are temporarily reserved for certain purposes, but that temporary reservation for those certain purposes does not constitute those lands a reservation. It makes them reserved public lands. Now, this bill applies, first, to the public lands; that is, all of the public lands, all of the lands the Government owns except the reservations of all sorts and kinds. But in order to make it perfectly clear that we intend to cover public lands reserved, as well as public lands unreserved, we use the words "public lands, reserved and unreserved," so that the words in lines 11 and 12 include all of the public lands, whether temporarily reserved under the withdrawal acts or otherwise.

The other provisions of the bill relate to various classes of reservations, naming them. The gentleman from North Carolina [Mr. PAGE] moved to strike out one class of reservations, to wit, national monuments, and I think they ought to go out. I propose to ask also to strike out the words "and other reservations," so that if my amendment is adopted and the amended motion of the gentleman from North Carolina carries, the bill will then refer to the public lands, all of them, reserved and unreserved, and to the forest reserves. Now, that is all that the bill should relate to. It should cover all of the public lands, whether temporarily reserved or not. It should cover all of the forest reserves, but it should not include any kind of a reservation for a specific purpose, permanently made.

Now, let me reiterate that. The Government has two kinds of landed property—public lands and reservations. In order to include all public lands you must use the term "reserved and unreserved" if you intend to take them all in. Now, that is what the committee has done. The public lands—that is, the public lands not in permanent reservations; the public lands, reserved and unreserved—ought to be included in the bill. All reservations except forest reserves ought to be excluded from the bill. And if the amendment which I have offered to the amendment of the gentleman from North Carolina is adopted, and that amendment is adopted, the bill will then apply to all of the public lands, reserved and unreserved, and to the forest reserves.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The gentleman from Washington [Mr. JOHNSON] is recognized for five minutes.

Mr. JOHNSON of Washington. Mr. Chairman, I call the particular attention of the committee to the fact that the exclusion of monuments would exclude from use all of the potential water power lying in a district consisting of 660,000 acres in the Olympic Peninsula, and known as the Olympus Monument.

Mr. Chairman, while I am opposed to this entire bill, I feel sure that if we are going to have regulation at all the regulations should include that enormous water power in that large district. I want to take advantage of this opportunity to say that by the passage of such bills as this, broad in their scope, you bring about just such situations as was brought about when we suddenly found our Olympus Monument made for us, without any warrant of law. It has been suggested to me that I should not object to this amendment excluding monuments to go into this bill, and that I should then undertake some special legislation to relieve the Olympus Monument situation. Gentlemen, the Members from Washington have tried that. It must be apparent to every Member of Congress that the western Members are here all of the time, working day and night with private bills, trying to relieve this and certain situations that were brought about through bills of this kind in the past—to say nothing of doubtful Executive orders. The great hope of the Olympic Peninsula is that development will come to it. Within the last two or three years we have succeeded in bringing a trunk line of railroad to the north side of the peninsula—the Chicago, Milwaukee & Puget Sound Railroad—at an immense expense. If this amendment is added, and the bill passes, there will be all of the water power in 660,000 acres of mountainous country tied up still further. It is tied up now. This adds another knot.

In that great monument even now one can not, without special permission, drive a pick or strike a match. That is what has happened in the Olympus Monument. If you are going to regulate water power do not make useless for the next 50 years the water power that is in that great stretch of territory.

The Olympic Peninsula is drained by many rivers, most of which head in the Olympus Monument and radiate outward toward the four points of the compass. The streams flowing to the east empty into Hood Canal, and are short, with steep descents. Chief of these are the Quilcene, Dusewallips, Duckabush, Hamahama, and Skokomish. To the south flow the Humptulips, Hoquiam, Wishkah, Wynooche, and three branches of the Satsop. To the north, into the Strait of Juan de Fuca, flow the Dungeness and Elwha, while to the west the Quillayute, with its branches, the Dickey, Soleduck, Bogachiel, and Kalawa, and the Hoh River, Queets River, the Clearwater, and the Queniult flow directly into or toward the Pacific Ocean—quite a number of swift rivers to be tied up not only now but for still further time under this amendment.

Mr. MANN. Mr. Chairman, I doubt whether the adoption of the amendment would make any change in the provisions of the section unless further amendment were made. The section reads:

Any part of the lands and other property of the United States.

If you strike out "including" and all that follows it, that does not change the situation, because the bill covers as it stands all lands and all other property of the United States. That includes everything. It would include the Capitol Building, if you could use it—everything. I had supposed that the intention of this bill was to give to the Secretary of the Interior power to make leases for water-power purposes of the lands of the United States—the public domain. The gentleman from Wyoming [Mr. MONDELL] said that that would not include national forests. Of course, nobody doubts that the desire is to include national forests; and, if anything is to be done with it, it ought to include national forests, because probably that is where most of the water power is. I do not think Congress ought to give to the Secretary of the Interior, without further congressional action, the power to lease any of the property of the United States other than where it is necessary for water-power purposes, on the public domain or in the national forests. I have no objection to laying down rules and regulations, such as we did in the Adamson bill, for the leasing of such property when Congress shall specifically authorize it. I do not believe that we ought to start in by giving a blanket authority to the Secretary of the Interior, however much confidence we may have in the present Secretary or in future Secretaries or in the Interior Department, to make leases, without control, of all of the property or any of the property of the United States which some one may desire for the development of power or the construction of dams. No one knows how far that will go.

I understood the gentleman to say that an amendment was to be offered that would restrict this authority as to the navigable streams. Of course, I do not know just what that amendment will cover. As the bill stands it would authorize the Secretary of the Interior to lease locks and dams constructed by the Government out of the Federal Treasury, under the supervision of the War Department. That is undoubtedly the way it stands in the bill. It is now proposed to remove any question about that; but that would still leave open a very wide latitude of authority. For instance, we have property reserved at the headwaters of the Mississippi and other places for the purpose of providing a permanent water suply. Under the terms of this bill that is property of the United States, and the Secretary of the Interior may lease it for power purposes. You may say that he will not abuse the authority. Maybe he will not and maybe he will. Nobody knows. Any Secretary of the Interior himself very likely would not, but matters of this sort are not disposed of in the individual cases as a rule by the Secretary himself. They are disposed of by inferior officials, who, even if they do the best they can, are liable under the provisions of this law to do something that we might consider to be an abuse of authority. I think the bill ought to be amended so as to apply to the public lands, including forest reserves—the public domain—and then, if when that is in successful operation there is any occasion for extending it, it could be done either by special act of Congress giving somebody authority to construct a dam in accordance with the provision of this act or otherwise.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FERRIS. Mr. Chairman, neither of the amendments offered is intended to destroy the bill, and neither of them, if adopted, would materially harm the bill, but this is the situation: The act of June 25, 1910, known as the Pickett Act, or the general withdrawal act, gave the President of the United States power to withdraw any of the public lands for any public purpose. My thought is, and the thought of our committee in constructing this provision was, that numerous withdrawals had been made. Hundreds of thousands of acres had been withdrawn. What for? Some for mineral purposes, some for national monument purposes, some for forestry purposes, some for oil purposes, some for water rights, some for this, and some for that. Many of these so-called Executive-order reservations embrace thousands of acres of hills that will not be mined within the generation, or perhaps will never be mined, and may or may not have any value for mineral, and so forth. It is the thought of the committee, it is the thought of the Interior Department, and of all of the Government officers who appeared before us that if there was water power on any of these reservations going to waste, it ought to be used. Personally, I feel that these amendments eliminating certain reservations ought to be voted down for the simple reason of sensible procedure and development of every resource that we have. The gentleman from Minnesota [Mr. MILLER] complains that if this does apply to Indian reservations, he thinks it should not be done, and thinks that it has had no consideration.

I hold in my hand a letter from the Commissioner of Indian Affairs; I hold in my hand a letter from the Secretary of the Interior, in which he suggests an amendment to the first proviso of section 8, which provides that the proceeds from any water-power development on Indian lands shall go into the funds of the Indians. In other words, I repeat, if the House decrees that these two amendments should be adopted and all these withdrawals and all these reservations will lie in idleness and the water will flow on to the sea, it will not destroy our bill. Again, in the alternative, should we create a separate water-power bureau in the Indian Office, which is under the Department of the Interior; should we create a water-power bureau in the General Land Office, which is under the Interior Department; should we create a water-power bureau under the Forest Service, which is under the Secretary of Agriculture? Should we create a little one-horse water-power bureau in each of these departments? Now, you must deal with one of two conditions. You will either let this water run idle to the sea, a total waste, or you will find an appeal coming from the Indian Office and all these other bureaus asking that they have a water-power bureau in their respective departments, and the result will be you will multiply help, duplicate work, and the whole proceeding would be lacking in good administration.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. FERRIS. Not at this moment. I repeat, you will multiply the number of officers, you will make the question more complex and difficult, you will be duplicating and triplicating by doing the same identical thing. I again repeat that these amendments are not vital to the bill. No doubt the Members who propose

them believe they will, and no doubt that good patriotic supporters might well differ as to whether they ought to be included or not. Personally I think we ought to have in one place a head of the water-power proposition. As the matter now stands we have two departments that must necessarily take care of the water power—the War Department on navigable waters and streams, through the engineers, and the Interior Department on the public lands—and reservations and the noureservations ought to be controlled by the one department that has to do with the disposal of the lands. Now I yield to the gentleman from Washington.

Mr. JOHNSON of Washington. In regard to a considerable number of these national monuments, is it not a fact they are and will be handled by the Secretary of Agriculture, while still others will be handled under this bill by the Secretary of the Interior?

Mr. FERRIS. In the forest reserves that is true; so far as it relates to forestry that is of course true. That part of it went to them years ago.

Mr. JOHNSON of Washington. And that brings about a situation of a double-headed management with so many laws concerning them that any man who wants to know about the public lands can not pick them out.

Mr. FERRIS. What the gentleman states is partially true, but the gentleman must view it from this standpoint: Take, for example, either the gentleman from South Dakota [Mr. BURKE] or the gentleman from Minnesota [Mr. MILLER], who are experts on Indian affairs.

Mr. STAFFORD. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. STAFFORD. Does not the gentleman think it would be advisable, when we have progressed so well in our management of these matters in the Indian Bureau, to wait and see whether this bill will be successful in its application to public lands? Why should we open the development at once to all the water power in the country? Why not try the experiment on the public lands before we reach out to the Indian reservations?

Mr. FERRIS. This water power is not so much of an experiment as the gentleman thinks. They have been developing water power already under the defective makeshift known as the revocable-permit law of 1901. So many people have failed to take the time required to keep up with development on the public domain.

The CHAIRMAN. The time of the gentleman has expired; all time has expired.

Mr. FERRIS. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from Wyoming offered to the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The question was taken; and the Chairman announced that the noes seemed to have it.

Upon a division (demanded by Mr. MONDELL) there were—ayes 35, noes 38.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is upon——

Mr. JOHNSON of Washington. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. In a moment. The question is upon the amendment offered by the gentleman from North Carolina [Mr. PAGE].

Mr. JOHNSON of Washington. Mr. Chairman, I desire to offer an amendment to the Page amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 13, after the word "monuments," insert the words "except Mount Olympus National Monument and Grand Canyon National Monument," and also, on page 2, line 12, after the word "monument"——

The CHAIRMAN. The gentleman from North Carolina moved to strike out certain words. What is the amendment of the gentleman from Washington?

Mr. JOHNSON of Washington. I can only make it plain in this way: That where the gentleman's amendment proposes to leave the word "monuments" out of that provision I wish to except Mount Olympus National Monument——

The CHAIRMAN. The gentleman's amendment is not in order in the form in which it is offered. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. PAGE of North Carolina) there were—ayes 48, noes 33.

So the amendment was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

Mr. MILLER. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 1, before the word "for," insert "or Indian reservations or in lands or property held by the United States in trust."

Mr. MILLER. Mr. Chairman, if this amendment be adopted there will be specifically excluded from the operations of this act Indian reservations and lands held in trust by the United States. I believe we can experiment, if we want to, in respect to our own properties, but we have no right to experiment with properties which we hold in trust. Under the provisions of this bill the revenues from water-power plants whether on Indian reservations or elsewhere go into the General Treasury. Now, I understand the chairman of the committee stated the other day that it was his intention to offer an amendment specifying that revenues from water powers on Indian reservations should be applied to Indian purposes. I admit that a method of computation could be worked out and that an equitable distribution could be made of the proceeds, but that is a detail that has no bearing on the propriety of the entire legislation.

As I said a moment ago, it is proposed to tie up these water powers forever without the Indians having one word to say about the proposition. Now, it just happens that there are wonderfully fine water powers on many of the Indian reservations to-day. We have a great variety of irrigation projects being developed on Indian reservations, costing millions of dollars, for which already millions have been appropriated, and for which millions more are to be appropriated. We expect to make these appropriations reimbursable from the Indians' property. They are going to pay for them out of their own means. As an incident to these irrigation projects, there is natural opportunity to develop water power. Why, just take one illustration on the Blackfoot Reservation, a project originally estimated to cost $4,000,000, now estimated to cost $6,000,000, and before they get through it will probably cost $8,000,000 to $10,000,000, and will offer opportunity for the development of not less than 200,000 horsepower. It is a great industrial proposition. Should we for one moment dispose of that, one of the chief elements of property belonging to the Blackfoot Tribe, without having particular and due regard to their needs, to their conditions, to their wishes, and to their rights? Who can say what effect this bill would have if applied to that project in respect to the future prosperity and welfare of the Indians whose property it is? The great principle to-day underlying the management of Indian affairs, that at last all those handling such affairs have come to recognize, is to teach the Indian how to be self-supporting, put into his own hands means for handling his own property as quickly as you can with safety, and thereafter hold him up as an independent working citizen. You make paupers by treating men as paupers. You cut off opportunities for independent development and progress when you hold in trust a man's property and peddle out to him annuities. These great properties belonging to the Indians, if tied up in this way in the hands of the United States, without the Indians ever having an opportunity to say anything about their management, anything about what shall be done with the proceeds, anything about the parties that shall be permitted to make these leases, will take from them their best incentive to development and to progress.

Now, one thing further, Mr. Chairman. I do not know just what the committee that produced this bill considered. The committee is composed of very distinguished gentlemen, headed by one of the most distinguished and most amiable Members in this House, but I am somewhat appalled when I think that his committee has inserted in this paragraph a provision saying that a lease shall be made for 50 years and then what shall be done after the expiration of that period, when every particle of these lands, excepting in the Territory of Alaska, is within the sacred confines of a State. Can it be that the members of the committee forgot that there are sovereign States composing the United States?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I would like two or three minutes more. I do not like to encroach on the time of the committee——

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that his time be extended for five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, which I do not intend to do, I would like to ask if we can have some understanding as to time. I ask unanimous consent to close debate at the expiration of 30 minutes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent to close debate on the pending amendment and all amendments thereto in 30 minutes——

Mr. FERRIS. And that I have control of the time, so that I may yield to the various gentlemen.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that he be recognized for 30 minutes on this amendment and all amendments thereto——

Mr. FERRIS. And debate close at the end of that time.

The CHAIRMAN. And debate close at the end of that time. Is there objection?

Mr. MILLER. I have no objection if I can have five of those minutes.

Mr. FERRIS. I will yield five minutes to the gentleman from Minnesota.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FERRIS. I yield five minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER. The public lands to be affected by this bill are all within the confines of sovereign States. All Indian reservations to-day are within the confines of sovereign States. It does seem to me that the committee which prepared this bill overlooked the fact that there have ever existed such things as State rights, and I do not use those words in a technical or in a flippant sense. I use them in a most serious sense.

There has never been a time, so far as I know, when it has been proposed that the United States Government had the authority to regulate the internal business carried on in a State—business that is not interstate business. That is exactly what this bill does. This bill says that in the State of Wisconsin, for example, where there are many Indian reservations, some public land, and many water powers, a lease can be made for but 50 years, when the laws of the State of Wisconsin say they can be made forever, under certain regulations. Now, who is going to control? Absolutely the laws of the State of Wisconsin are going to control.

Mr. FERRIS. The gentleman does not think that the laws of the State of Wisconsin or the laws of any other State have very much to do with the regulation of water power located on public lands, does he?

Mr. MILLER. I undertake to say that the United States Government has no power whatever to regulate the rights, the methods of transmission, the stock, the bonds, the business operations of a water-power company in the State of Wisconsin, whether on public or private land, if it is not engaged in interstate business; and if it is so engaged, then only in so far as it is engaged in interstate business.

Mr. FERRIS. Right on that point the gentleman is at right angles with all the authorities on the subject.

Mr. MILLER. I think I can convince the gentleman from Oklahoma, if he will yield me 15 minutes, that in my contention I am on all fours with the decision of the Supreme Court of the United States, and I do not care if the gentleman is in disagreement.

Now, there are many Indian reservations in the State of Arizona. About one-third of the land in the State of Arizona, or about 40 per cent of the land, is in Indian reservations.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Washington?

Mr. MILLER. Yes.

Mr. JOHNSON of Washington. Does the gentleman remember that in the State of Washington, in the great Quinaielt Indian Reservation the entire rapids rise and have their mouth in the Indian reservation?

Mr. MILLER. Yes. I am glad the gentleman mentioned that. The Indians have been gradually driven—although I do not like to express that thought—into the inner and more inaccessible mountain regions of the States where they are located. We find them in the interior, in the mountains that have been given to them. They have great water-power systems on their land.

I mentioned the State of Arizona a few moments ago, a State that, in order to be developed, must find its development along the lines of irrigation, mining, and forestry. It is a State that has great possibilities. The Indian lands in the State are to play a very important part in the development of that State.

Now, truly if we are to legislate in relation to these enormous properties, fundamental to the Indian's life and future prospects, we ought to consider that legislation from the Indian's standpoint. But not one moment's time, so far as I am informed, has ever been given to the consideration of the different parts of this bill from the Indian's standpoint. And, Mr. Chairman, while I do not think that the language as now used in the bill includes Indian reservations, yet if there are gentlemen whose opinions I respect who do think it does, let us cut it out. Let us treat these Indians' property from the Indian's standpoint. Let us give them consideration on their own merits, having in mind their own purposes. We can legislate for our own property as we please, but when it comes to tieing up forever property belonging to our wards; when it comes to violating the laws of the States in respect to the property rights of our wards, let us halt our efforts and stop. [Applause.]

The CHAIRMAN (Mr. PAGE of North Carolina). The time of the gentleman from Minnesota has expired.

Mr. FERRIS. Mr. Chairman, I yield five minutes to the gentleman from New Mexico [Mr. FERGUSSON].

The CHAIRMAN. The gentleman from New Mexico [Mr. FERGUSSON] is recognized for five minutes.

Mr. FERGUSSON. Mr. Chairman, I think it is regrettable—the spirit shown by some Members in their earnest desire, as I have no doubt, to improve this bill. It is regrettable that they should be inclined, judging by their manner, to attribute ignorance and lack of judgment to the committee, and not merely to the committee, but to the present Secretary of the Interior and to the previous Secretary of the Interior, Mr. Fisher, under President Taft, and to the preceding Secretary of the Interior, Mr. Garfield, under President Roosevelt. They have all been before this committee and sanctioned this bill.

Now I want to speak a word with reference to the Indians. There are nearly 30,000 Indians on different reservations in the State of New Mexico. I have lived there for a good many years. I can look back and remember when we first started the Indian schools for the improvement of the status of the Indians, so that when the young Indians left school they would be examples to their fellow Indians. I remember the fact that I came to this Congress with the earnest desire to get Congress to grant more school facilities to the Indians. The anxiety of the boys and the girls to get into school has increased to an astounding extent. It is a fact that now when they get out of school the girls go into domestic service and remain. They get into the millinery shops and into the stores. They find that they are catching step with our civilization. It is the same way with the boys. They avail themselves of the education they have had and gladly become carpenters, for instance, and followers of a vocation.

Now, here is an act which is backed by men who have had charge of the Indians for decades past and who know what they are trying to do; an act which is backed by the experts, and backed by every man who has an Indian in his State at home. Here is a bill particularly designed and intended to help the Indians, and the Indians are growing in appreciation of the fact that we desire to help them. Many of them raise corn and wheat. Many of them have goats and sheep and horses. I have seen Navajo Indians with two or three hundred ponies, driving them through the streets of a town; driving them up and down the street and offering them for sale.

Here is a proposition to make the waters useful, now too costly to be used; and yet you talk about it as a crime or as a very great impropriety, or, at least an improper act on our part, to urge this bill—we who know personally these things and who want to put the matter in the discretion of the Secretary of the Interior, who will protect the Indians, as the former Secretaries of the Interior have done all along.

He will protect them from abuses of even a 50-year lease. The honorable gentleman from Minnesota [Mr. MILLER], whom I respect greatly for his ability and sincerity, has referred to tying up these poor Indians under a 50-year lease. Another thing that is spoken of is that these leases will be to great corporations. The fact is that nine-tenths of the leases will be for the working of small enterprises by a few men. A man will construct a dam in some canyon to carry on a mining operation with cheap electric water power. He will run one small mill, perhaps, to work the ores taken out of a mine. The Secretary of the Interior can not make a lease for longer than 50 years. That large discretion is for the benefit of great enterprises that will take millions of dollars to put them on their feet, because the capitalists must be given sufficient time to enable them to see that they can get their money back. But the most of these leases will be for small enterprises, to de-

velop some rich valley by sinking wells and pumping water for farming purposes, 500 feet if necessary, with cheap hydro-electric power. Why, my friends, the intention of everybody back of this bill was to help the Indians. They are under the guardianship of the Secretary of the Interior all the time, and we have been endeavoring to protect and elevate them as and into useful citizens. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. I yield five minutes to the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Mr. Chairman, generally speaking, I favor this bill. I believe it is a good bill. I believe it means the development and use of the water power on the public lands. Now, if it is good for the forest reserves, by what kind of reasoning is it bad for the Indian reservations? If this system of developing the water power on the forest reserves of the West will serve beneficially the interests of the people of the West, the people who go into the forest reserves and the people who live near the forest reserves, by what kind of reasoning can it be possible that this same bill will not beneficially serve the interests of the people who live in and near Indian reservations and who are interested in Indian reservations? You say "the poor Indian." And you worry about the poor Indian. Why do you worry any more about the poor Indian in the Indian reservations than you do about the poor white man or the poor black man, or any other poor man who has an interest in the forest reserves? Do you mean to say that you are going to inflict upon the forest reserves something that is injurious, but that you want to protect the Indians from any such kind of punishment?

The truth is there is nothing injurious about this bill. It is beneficial to the interests of the forest reserves and those who are interested in the forest reserves. That being so, it is beneficial to people who live in and are interested in the Indian reservations. A few moments ago we heard my able friend from Minnesota [Mr. MILLER] suggest that it affected the proposition of State rights, and he made the usual earnest plea that is made on behalf of State rights, arguing that the State was going to be oppressed.

Mr. RAKER. Will the gentleman yield?

Mr. BRYAN. I yield to the gentleman.

Mr. RAKER. What reason can be given why the Indian lands should be permitted to remain idle and the water go to waste? Can any reason be given why that should be done?

Mr. BRYAN. Of course no reason can be given why the water power on Indian lands should be measured by a different test than the water power on other public lands.

But it has been suggested that the State jurisdiction is affected. Gentlemen turn from the poor Indian to the poor State. It is said that the State of Wisconsin gives a perpetual lease, but the United States Government is only going to give one for 50 years, and they ask you if this Government can assert its authority to limit a Federal lease to 50 years when the State of Wisconsin in certain cases gives a 100-year lease or a perpetual lease. Of course the Government can establish its own regulations. What the poor Indian needs, what the poor white man needs, and what the public needs is complete control and some kind of definite rule for the development of this water power that will mean something, that will make it subject to use, and yet will not part with the title.

It is suggested that these things ought to be put in the hands of the poor Indian, and that he ought to be allowed to make these leases. I suppose no doubt you could get him to give a lease for eternity and then another eternity in addition. Perhaps a lease of the State of Wisconsin would be only for eternity, but an Indian lease would be a double eternity. We do not want to leave it in the hands of the Indians. The Indian is perfectly willing to rely upon the Government of the United States if it will retain some kind of effective control under some kind of definite rule.

These gentlemen do not love the poor Indian half as much as they think they love him. They want the timber, they want the water power, and they do not want the strong hand of the Government to lay down the conditions and the terms; but I believe the terms laid down by the Federal Government will be fair, and I stand for that very kind of thing. The people of the West stand for it, too. We are not worried about the Federal Government having the power to run things on the public domain rather than the State. They would rather have the Federal Government run things owned by the Nation, as they are running them in the Federal reserves in the State of Washington, than to have such things run by Federal troops, like the Federal Government is running them on Rockefeller's privately owned lands in Colorado. We would rather the hand of the Federal Government should be firm. We would rather you would make rules that mean something. We want the use of our reserves and the Federal resources our there, but we are perfectly willing to abide by the decent rules of the game. [Applause.]

Mr. FERRIS. Mr. Chairman, with the permission of the gentleman from Wisconsin [Mr. STAFFORD], I will yield to him four minutes. That is cutting him out of one minute, but I want to use that minute.

Mr. STAFFORD. Mr. Chairman, because it has been the policy of our Government to protect the Indian in the preserves found on the Indian reservations, such as the forests and everything that is found on their reservations, I believe we should except water powers on these Indian reservations to see first whether this plan is going to be successful and favorable to our Indians. The water power on the Indian reservations belongs to the Indians. It does not belong to the people of the United States or of the respective States. Those reservations are their property, and we are but the guardians of the Indians for that purpose.

Mr. FERGUSSON. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I can not yield now. The bill under consideration is predicated upon the idea that the water power on the public lands should be available for the residents of the State where the water power is found. That should not be the principle so far as the water power that is contained on Indian reservations is concerned.

The water power on the public lands should be leased under such terms as would supply power to the public generally at the lowest possible cost; but the water power, as far as the Indian reservations are concerned, belongs to the Indians, and it is for them to determine its use and the conditions of its disposal. We know from the history of the appropriation of water powers in Canada and in the States, where there were no restrictions whatever, that as soon as this bill goes into effect every available, practical water power will be seized upon by persons who are desirous of laying claim to the future development of water power. If we could possibly restrict the application and enforcement of this bill to one-half of the undeveloped water powers on the public domain, it would be well to try it out as an experiment, to see whether it would protect the interests of the residents of those States. It would be well to reserve some of that water power for the future; but no, we are going pell-mell and opening up all of the water powers at once. I say that, so far as the Indian reservations are concerned, even if we consider the plan that is proposed here to be workable, it would be good policy not to include the water power on the Indian reservations, because, even if we have complete control over them, the Indians have certain rights to be considered.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FERRIS Is it not true that one of two things must happen—if the Indian reservations are cut out from this, then the water remains in idleness and flows idly to the sea, or the Indian Bureau will get up a separate bill to do the same thing?

Mr. STAFFORD. Mr. Chairman, allow them to remain in idleness until you develop this proposition and see whether the proposed plan will be workable; and, furthermore, the water should be reserved for the benefit of the Indians and should not be leased merely for the benefit of the residents outside of the reservations.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FERRIS. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I think there must be some surprise in the mind of everyone who has read this bill over the proposition that it includes Indian reservations. Certainly such an important application of the bill ought to have been made plain by its terms. But, no; there is only the general statement here, "and other reservations." There are, of course, many public reservations of land; but that which is peculiar to Indian reservations is the fact that Indian reservations are held, not by the Government of the United States unreservedly subject to its control, subject to the interests primarily of the people of the United States, but the lands that are held in Indian reservations are held, as the gentleman from Minnesota [Mr. MILLER] said, subject to the limitation or obligation or incumbrance, if you choose to call it such, that they are held in trust, not for the people of the United States but for the Indians themselves. Certainly it is not too much to ask that an important measure so vitally affecting their interests be considered separately and apart from these other questions. I am ready to meet and to consider, and other gentlemen are ready to meet and to consider, the question of what is to the best interest of the Indians with regard to their reservations, but it

ought not to be mingled with or affected by entirely different interests and conditions. The cynical indifference that is displayed here by gentlemen who advocate this inclusion with regard to the rights of Indians is no surprise to the people of the United States. It has marked and stained the record of legislation through the century that we have had to deal with the Indians. They have been driven from their lands. They have been forced to submit to conditions and impositions that have brought to them not only material loss, but suffering and misery extreme and utterly unnecessary.

The history of our treatment of the Indians from the beginning is not one that we look upon with pride by any means, and to-day we are asked to add another instance which is expressive of our indifference and contempt. These Indians, who have been driven from their own lands to these reservations in the extremities of the land, where the white man does not care to go or can not live, in the canyons, among the mountains, in the forests remote from civilization, are not safe even there. We are asked by this bill to allow the speculator and the promoter to enter even these remote fastnesses and to take from them their water power and subject all their interests to the promotion of enterprises in which they will have no possible benefit. In any instance when a project is under consideration under the operations of this bill it will be other interests that will control. Mr. Chairman, it is clearly our duty to consider such propositions separately. I can conceive of no reason why it ought not to be done, so that then we may determine the question, not in connection with other lands, not with regard primarily to the selfish interests of other people, not with regard even to the interests of the United States as a Nation, but primarily with regard to the Indians themselves. We boast of being a humanitarian and generous people, but the cynical indifference that we exercise with regard to our operations with and our obligations to the Indians ought not to be emphasized again by this act on this day. I hope the amendment of the gentleman from Minnesota will be adopted.

Mr. FERRIS. Mr. Chairman, I yield two minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, ordinarily I should be of opinion that a fair construction of the language of the bill would not include within its provisions Indian reserves, but I understand the Secretary of the Interior, who is to administer the law, considers it does include Indian reserves, and therefore the amendment offered by the gentleman from Minnesota should be adopted. We do not as a people own these Indian lands. They belong to the Indians. Excluding these lands from this bill does not tie up the water power on the Indian lands. It would simply leave them in this position, that when there was any need of development on the Indian reservations the matter would be brought to Congress, and Congress, probably after consultation with the Indians and inquiry as to their needs, would make proper provision for the development. If the enterprise were approved, they might be brought under this bill. As a matter of fact, it is a question whether we have any right to bring the Indian under the terms of this bill without his consent. It might be possible that the Secretary of the Interior would believe that it would be well to utilize the waters on an Indian reservation for the development of power to be carried hundreds of miles away. The Indians might believe it was better to use that power for pumping water for the irrigation of their land, and the Indians' view of it ought to be considered by Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I again repeat what I said before. If the Committee on Indian Affairs and the House should decree otherwise, there would be no feeling at all about the matter, because it is a matter of policy, of course, whether or not we should leave the Indian lands in idleness and let the school reserves be nonsupporting and in idleness or whether we should try to give them an effective method of developing water power for their own benefit. Some things have been said that ought not to be said in fairness. It has been said that it is an attempt to strip the Indian of all he has. On the contrary, this is the very best effort in good faith to try to help the Indian.

Mr. MONDELL. Will the gentleman yield?

Mr. FERRIS. I can not yield; I have only a few minutes, in which I wish to cover three or four points. All over the country we have school reserves of three or four sections of land lying there in absolute idleness, in absolute waste. Why? Because, perchance, they are not near by to anybody who has a disposition to develop them. Does anybody here think that a blanket Indian has business ability sufficient to develop water power in his own right? Does anybody here think that a blanket Indian knows enough to develop water power to irrigate their school reserves and make them supporting? Surely not. So, inasmuch as the Interior Department is the head of the department, inasmuch as the Indian Bureau is under the Interior Department, inasmuch as I have a letter here from the Indian Commissioner and from the Secretary of the Interior, both wanting the Indian lands put in here, so that we can help improve the Indians and let them avail themselves of the possibilities of the reservations, surely no one will say that we are stripping the Indians of all they have.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. FERRIS. I hope the gentleman will let me proceed. I have only a few minutes and I have several things I desire to say. If it was the purpose that we were going to strip the Indians of their all, certainly my own welfare, political as otherwise, would demand that I stand on only one side, and that would be on the side of the Indians, because in my State nearly half of all the Indians of the Republic live, and in my State they vote and hold office and have power. I hold in my hand a telegram from the governor of my own State, I hold in my hand a telegram from the governor of Montana, I hold in my hand a telegram from the governors of Wyoming and New Mexico and Washington, and of most of these Western States, urging that legislation be passed and that the water power of the West be developed. Some of the gentlemen of the West who are railing against this bill are railing against their own interests; they are unwittingly trying to let the intrenched water powers have a monopoly by the nondevelopment of water power that is now in the West going to waste. No one regards the interests of the West more than I; surely no one is a better friend of the West than Secretary Lane. He is the most untiring worker for your welfare I have ever met.

Mr. SLOAN. Will the gentleman yield?

Mr. FERRIS. I can not yield in the limited time I have. I do not desire to be discourteous to any gentleman, but I regret I can not in the limited time I have. Secretary Lane is trying to do more for the West than they can do for themselves, and the gentleman from Minnesota, good lawyer that he is and amiable gentleman that he is, laid down a legal proposition a while ago that I fear will not stand up. The Chandler-Dunbar case makes waste paper of all such debate and all such arguments and all such fundamental propositions as he lays down. What on earth has the State to do with Federal Government property? Nothing; and no one can controvert that. Many gentlemen here are asserting the State can develop it itself, and so forth. To my mind that means that nothing will be done, because the State has no power to do anything with our property. The argument of the gentleman from Minnesota has been abandoned by most of the good lawyers, and I think he will be driven to a like conclusion.

The CHAIRMAN. The time of the gentleman has expired; all time has expired. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. MILLER) there were—ayes 20, noes 27.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I move, page 1, line 11, to strike out the words "and other property."

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 1, line 11, strike out the words "and other property."

Mr. FERRIS. Mr. Chairman, I assume the gentleman would be willing for us to accept the amendment. I think that amendment should go in, after conferring with the members of the committee present.

The question was taken, and the amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to insert before the word "lands," in the same line, the word "public."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 11, before the word "lands," insert the word "public."

Mr. MANN. I take it that the gentleman thinks that would be proper language?

Mr. FERRIS. I think it would be.

The question was taken, and the amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out, on page 3, line 5, all after the word "permittee" down to the end of the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, strike out all of the section after the word "permittee" in line 5.

Mr. MANN. I ask to have it read.

The Clerk read as follows:

The words to be stricken out are:
"The tenure of the proposed lease and the charges or rentals to be collected thereunder to be specified in said preliminary permit, and such permittee upon filing an application for lease prior to the expiration of the permit period shall be entitled to a preference right to lease the lands embraced in the permit upon the terms, conditions, and limitations authorized by this act."

Mr. FERRIS. If the gentleman will yield just a moment——

Mr. MANN. Certainly.

Mr. FERRIS. I followed the gentleman from Illinois [Mr. MANN] very carefully in his general speech the other day, and I have in mind what he said; and, feeling the advisability of doing what he thought, I called at the department and talked with them about it no longer ago than this morning, and they thought they could pretty well accomplish under the regulations all we could accomplish under this; and I have little or no objection, so far as I am concerned, and I do not think the committee has.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN].

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Oklahoma a question. The proviso at the bottom of page 2 authorizes the Secretary of the Interior to issue a temporary permit to an applicant. Would there be any objection in the gentleman's mind to changing that so that the Secretary might issue a temporary permit to more than one applicant for investigation of the same place? In other words, instead of saying "an applicant," as in line 21, to say "applicants"; and then, in line 24, to strike out the letter "a" and insert the word "permits" instead of "permit," so that the Secretary would have authority to make regulations in order that more than one man or more than one concern might investigate the power possibilities of a particular place?

Mr. FERRIS. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. FERRIS. I really think there is an objection to the gentleman's suggestion which I think the gentleman will agree to when I call his attention to what I have in mind. It was called to my attention by engineers that sometimes an expenditure aggregating a million or more dollars was necessary in order to make preliminary survey on watersheds and waterfalls to determine whether or not the thing was feasible. Again, it was called to my attention by the water-power people, and department officers as well, that they had to go and buy up already acquired water rights that had been filed under the State law as a part and parcel of the going concern to be. It was also called to our attention in the hearings—and the hearings are quite full on that point—in order that this be effective and operative that you give some one an opportunity for a short period of time, at least—we thought a year was sufficient, and if the gentleman thinks that is too long we can change it——

Mr. MANN. I have not any objection to the time.

Mr. FERRIS. I think that if you allow them to go out and issue a permit to two applicants either one of them would be unwilling to make the expenditure required unless they thought they could be sure to get the lease.

Mr. MANN. Here is what I wish to call to the attention of the gentleman: The right of a department to make personal favorites is always a dangerous right to confer. We do not let a department buy property without advertising for bids. We do not let them dispose of property without advertising for bids. We do not let them sell waste iron without advertising for bids. Now, here comes along two men, each of whom thinks there are great possibilities in a water power. They both apply to the Secretary of the Interior for a permit, and it is purely a mattter of favoritism as to which one gets the permit. That would be conferring a power upon the Secretary which, if he exercises, might lead to charges made against him whether they are true or false.

Mr. FERRIS. If the gentleman will yield right there, the gentleman states the condition fairly and as it is, and it is a condition that is present and has to be met, but let me suggest to the gentleman that under the revocable permit law of 1901, under which we are now operating and under which a good deal of water power has been developed, they have the same right there.

Mr. MANN. And that is being repealed by this provision.

Mr. FERRIS. True, but the real complaint that is bringing about the repeal, as shown by the authorities who appeared before us, was that the Secretary of the Interior, without a hearing, could revoke it; could cut them off and take it away.

Mr. MANN. That no one would take it.

Mr. FERRIS. That no one would take it, and he could cut their heads off without a chance to be heard and no one would feel safe to develop under such a law.

Mr. MANN. But if you give the Secretary of the Interior authority to make general regulation, he can cover that question. For instance, the Geological Survey, in its investigation, discovers the potentialities of water power at some place. They communicate that information, or some one does to some friend, and he makes an application. It may be worth a great deal of money. No one else can get in. Now, ought not the Secretary of the Interior to have the authority to permit more than one person to make this examination, so that you really preserve the interests of the Government? He can make his general regulations. The language of the bill would confine it, I think, to one applicant at a place. No one else can investigate. It may be water power worth millions of dollars. The gentleman spoke of their spending a million or more dollars at a place in a preliminary survey. In such a case the water power is vastly valuable——

Mr. FERRIS. Very true.

Mr. MANN. Why not leave it so that the Secretary can make regulations and can permit under proper regulations more than one concern or person to make a preliminary examination as to the possibilities of the future?

Mr. FERRIS. I confess I can not see great objections to the suggestions of the gentleman other than——

Mr. MANN. I want to vote for this bill.

Mr. FERRIS. I know the gentleman does, and we need the help of the gentleman.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURKE of South Dakota. While the gentleman is discussing the proviso, I would like to ask the chairman of the committee if in granting this preliminary permit it is intended, in granting the permit, to authorize the occupation of lands that are within Indian reservation, and I call his attention to the language on page 2, lines 24 and 25.

Mr. FERRIS. I did not get the suggestion of the gentleman.

Mr. BURKE of South Dakota. The suggestion is that if this bill is intended to apply to Indian reservations, does this proviso authorize the Secretary of the Interior to grant a permit authorizing the occupation of lands in Indian reservations?

Mr. FERRIS. Undoubtedly it would.

Mr. BURKE of South Dakota. Public lands?

Mr. FERRIS. I have no doubt if there was a feasible project on an Indian reservation the Secretary of the Interior would permit a company to go out and ascertain if it was a feasible proposition. Otherwise you would never get it developed.

Mr. BURKE of South Dakota. I think it is a permit authorizing the occupation of public land for water-power development.

Mr. MANN. I think the words "public land" would be construed in connection with the former part of the act where it says, "public lands, including Indian reservations." I hope the gentleman will agree to this amendment.

Mr. FERRIS. I do not object to it.

Mr. MANN. Mr. Chairman, I move to strike out, in line 21, page 2, the word "an" and to make the word "applicant" plural.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 2, line 21, strike out the word "an" and make the word "applicant" plural.

Mr. MANN. And also at the same time, in line 24, strike out the word "a" and pluralize the word "permit."

The Clerk read as follows:

And in line 24, strike out the word "a" and pluralize the word "permit."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. THOMSON of Illinois. Would those amendments involve the changing of the last word on line 5 of page 3, from "permittee" to "permittees"?

Mr. MANN. Oh, no; because "permittee" refers to each one of the permittees, and each one would be extended under the general regulation.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out the word "public," the first word on line 25 of page 2.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 25, strike out the word "public."

Mr. MONDELL. Mr. Chairman, I desire to call the attention of the chairman and members of the committee to the fact that, as the section has been amended, it covers public lands, reserved and unreserved, and forest reserves which are not public lands, and reservations, and the word "public" at this point ought to go out of the bill.

Mr. FERRIS. Mr. Chairman, I think the suggestion of the gentleman from Wyoming is a good one. No one would want to put in a word that would limit the amendment that we have agreed to. I hope the gentleman's amendment will be agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 6, strike out the word "lease" and insert the word "grant," and in line 10, after the word "thereof," insert "the right of way over."

Mr. MONDELL. Mr. Chairman, I offer this amendment, not with the expectation that it will be adopted, for I see the gentleman from Illinois [Mr. MANN] shakes his head, and the gentleman from Oklahoma [Mr. FERRIS] catches the suggestion. I realize that these amendments would vitally change the character of this act, and change it so as to make it conform with our legislation on these subjects in the past, and in such a way as to make the bill really useful in the development of water powers on the public domain.

The adoption of this amendment would not affect anything that might follow in regard to the requirements relative to regulation and control of charges, but it would change the character of the right from that of a mere lease to that of a grant of a right of way. It would give permanence to the grant made, and, in my opinion, it would be very much more likely to insure development than the bill as it stands. The development being based on a permanent right, the power could be developed and furnished to the people more cheaply than it will be under a limited right with uncertain charges.

Mr. FERRIS. Mr. Chairman, I very much hope that no considerable portion of the House will think seriously of adopting the amendment offered by the gentleman from Wyoming. I think the views of the House are pretty well ironed out, and I believe the views of the country are in strong support of them. I believe that no one wants to grant or even talk about granting away the fee to water-power sites in this country. I feel that it is our greatest resource in this country. I feel that in importance it towers above coal, above oil and gas, and that we ought to lease for a limited period of time only the water powers of the country, so that we may get development, and in the end get them back for the benefit of the public and for the benefit of the Government and for the benefit of the people who will ultimately enjoy them. The amendment of the gentleman would change the entire purport of the bill, and I hope it will not be agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, after the word "than," strike out the word "fifty" and insert the word "twenty-five."

Mr. FOWLER. Mr. Chairman, I offer this amendment because I feel that there are grave responsibilities resting upon the House with reference to placing these great powers in the hands of those who may hereafter lease them, or those who have already developed water powers.

In reading over some of the franchises which have been granted by this country and other countries I have discovered that this provision in this bill, and in the Adamson bill, which passed the House a few days ago, goes further than anything which I have read in modern times. Canada leases her water power, or the right to generate hydroelectric power, for a period of 20 years. The Federal reserve act, which we passed during this Congress, grants a franchise for 20 years only. The great majority of the franchises which are granted to our street railways in cities and to our electric-light plants and other franchises of a similar character are usually limited to 20 years.

The proposition in this bill is to grant this water-power franchise for a term of 50 years, nearly twice the average life of man. It seems to me that we are now working upon one of the greatest problems that affect the rights of the people of this country. It may be made very beneficial and useful to all, or it may be made very useful and beneficial to a few and exceedingly oppressive and detrimental to the many. If the water power of this country should pass into the hands of the few, and that few should undertake to use that power as they have used other special rights in this country, undoubtedly the people would suffer in the future.

We have an example of what the few do when they get control. The Sugar Trust of the country is giving us an example of trust power, as to what can be done when an opportunity is afforded. We have seen the price of sugar forced up a cent a day until I understand to-day it is selling at 10 cents a pound, on the theory that there is a disturbance in the east, and that the people will tolerate such increases under such a plea. There is no more reason or excuse for the increase in the price of sugar now than there was three months ago, and what is now being done is an exhibition of arbitrary power.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

The CHAIRMAN (Mr. FITZGERALD). Does the gentleman from Illinois yield to the gentleman from Wisconsin?

Mr. FOWLER. Yes; I yield.

Mr. COOPER. Does the gentleman think that the Sugar Trust would have any such power over the price of sugar if the United States had developed the beet-sugar industry, so that it could furnish the home supply?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FOWLER] has expired.

Mr. FOWLER. I ask for an extension of five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, I wonder if we can not agree as to time. I ask unanimous consent to close debate on this amendment and all amendments thereto at the end of 20 minutes.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry. I want to offer an amendment, either to the amendment offered by the gentleman from Illinois [Mr. FOWLER] or later.

Mr. FERRIS. I am only asking to close debate on this amendment and all amendments thereto, but not to close debate on the section.

Mr. MONDELL. If the amendment of the gentleman from Illinois [Mr. FOWLER] should prevail, would that prevent an amendment to strike out all reference to the limit?

Mr. FERRIS. Oh, not at all, as I understand the situation.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on the pending amendment be closed——

Mr. FERRIS. In 30 minutes.

The CHAIRMAN. In 30 minutes.

Mr. FOWLER. Mr. Chairman, I believe the understanding was that I should have 10 minutes.

Mr. FERRIS. I hope the gentleman will not ask for that.

Mr. FOWLER. I do not propose to take any more time after that on this bill.

Mr. FERRIS. I will have to modify my request and make it 35 minutes, then.

Mr. MONDELL. I am perfectly willing to discuss my amendment as an amendment offered to that offered by the gentleman from Illinois, but I should like to have 10 minutes on this proposition, either now or later. I will move to strike out the limitation.

Mr. FERRIS. Then let us make this limitation on both amendments. I ask unanimous consent to close debate at the end of 40 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate on the pending amendment and all amendments thereto in 40 minutes. Is there objection?

Mr. MILLER. Reserving the right to object, do I understand that applies only to the amendment of the gentleman from Illinois [Mr. FOWLER]?

Mr. FERRIS. And amendments thereto.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] is recognized for five minutes.

Mr. FOWLER. Mr. Chairman, in answer to the gentleman from Wisconsin [Mr. COOPER], I desire to say that he has always been to me a very interesting Member of Congress, and I presume he has been interesting to all. I regard him as one of the most careful, painstaking, and thorough investigating of the membership of this House. [Applause.] Whatever he undertakes, it has been my observation that he is prompted by the purest motives, and whenever he propounds a question to me it appeals to my sense of honor and decency to reply honestly and conscientiously. He asks if I believe that if the United States had prepared for the protection of beet sugar in America the Sugar Trust would have been able to increase the price of sugar so radically and so persistently as it is doing to-day? That question demands a fair and candid answer. I do not believe that the gentleman wants to deal with this question lightly, and I presume he refers to the late tariff bill, by which sugar is ultimately to be placed in the free list. If I am not correct, I desire him to correct me.

Mr. COOPER. Mr. Chairman, my question was this: I did not say anything about the tariff. I said, "Does the gentleman think that if the United States had developed the beet-sugar industry so that it could supply the home demand for sugar, the Sugar Trust would have had any such power to manipulate sugar prices as it has to-day?"

Mr. FOWLER. That question can be answered yes and no. If in America we had the beet-sugar industry developed to such an extent that it would supply our demands, and the control of it were in the hands of the many, then there would be no trouble about it, and it would be impossible to increase the price systematically; but if it should pass into the hands of the few, as it is to-day, then it would matter not whether sugar was produced in America or abroad. We have an example of that in the case of coffee. Coffee is produced abroad, yet it is in the hands of a trust. I recollect when I was a boy 2 pounds of Arbuckle's roasted coffee was retailed for 15 cents. That was the weapon with which they wiped out all the handlers of coffee until it went into a trust, and now I pay 35 to 40 cents a pound for coffee for my wife. I do not drink it myself and never did. I know the gentleman from Wisconsin [Mr. COOPER] is honest in his convictions about these matters. What is true of sugar and coffee will be true of the water power of this country if it gets into the hands of men of this class. My colleagues, I shudder, not for myself but for my country, if the water power should pass into the hands of the few so that by its cheapness all other people will be driven out of business who do not have access to it, and when all of the money-making business of this country passes into the hands of the few. If you give it to them for 50 years, I shudder for the people of this country. I trust that we are not now sewing buckles on shackles for human limbs; but it appears to me that a 50-year lease is the strongest shackle, with the most complete buckle and lock that the Congress could possibly make by law. I trust that the people of this country will never be placed in the position that it appears to me I can see them in if the water power should pass into the hands of the few, and then they should secure complete control of it and the business operated by it, as they are doing now with the products of common use in this country.

There is only one relief that I can see, and that is the relief that might be obtained from electricity and air, for unlike other things they are so free and abundant that they can not be taken from us. Water by gravitation runs away from us, and wood and coal burn up when used for power purposes, but air and electricity stay with us forever and are never reduced in quantity and force by their use. The ingenuity of man, if we are placed under the condition that I think we might be by granting away this right for 50 years, may afford relief by some useful invention whereby we may be able to snatch from the air its great power and apply it as a propelling power for the wheels of industry, and we may be able to grab from the skies the electricity for the purpose of applying it also to the wheels of progress and of business.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. Yes.

Mr. SMITH of Minnesota. Does the gentleman believe that the water-power industries in the United States are not now in the hands of the monopolies and trusts?

Mr. FOWLER. Mr. Chairman, the gentleman is another one of those conscientious men on the floor of this House. While I am not as familiar with the different water-power projects over the country as some other men are, because there are none of them in my locality and only one, as I recollect, in my State, yet wherever water power has been harnessed it has gone into the hands of an oppressive monopoly, so far as I am able to learn.

Mr. SMITH of Minnesota. That being true, will we control it by lengthening or shortening the time of the grant or the lease?

Mr. FOWLER. Yes; we can do that, because it will revert to the State more readily and more often, so that those who get the control of it can not oppress us unmercifully for not only a lifetime but forever.

Mr. Chairman, this water power, in my opinion, is one of the most useful. I would not retard its use to man. It has lain unused for ages in America, yet it is one of the most useful and, I believe, the cheapest power within our reach. But in providing for its use I would not place it in such a condition that it can not be reclaimed to the country. I would not place it out of the reach of the common people. You know, all of you—and I am not speaking from a political or partisan standpoint—that after the passage of the Dingley bill within five years all of the great money-making businesses went into the hands of a few monopolies.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MONDELL. Mr. Chairman, I offer the following substitute for the amendment offered by the gentleman from Illinois which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, lines 1 and 2, strike out "for a period not longer than 50 years."

Mr. MONDELL. Mr. Chairman, the bill as it stands provides for the granting of these leases for a period of 50 years. The gentleman from Illinois [Mr. FOWLER] offers to amend by making the period 25 years. I propose to strike out all reference to the period of the lease, leaving the bill so it will provide for an irrevocable lease. As a matter of fact, the bill as it stands is, to my mind, conflicting in that it provides for a 50-year lease, and a few lines farther down for an irrevocable lease. Mr. Chairman, the amendment offered by the gentleman from Illinois in the best of faith——

Mr. CULLOP. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. CULLOP. Does the gentleman construe that word "irrevocable" to mean that a lease would not terminate within a definite period named in it?

Mr. MONDELL. I am frank to say that I do not know how to interpret it. I think it would bear the interpretation the gentleman suggests.

Mr. CULLOP. I agree that that clause which contains the word "irrevocable" ought to go out of the bill; but I wanted to know what the construction of the gentleman from Wyoming was of the word "irrevocable," from the manner in which he has spoken of it.

Mr. FERRIS. Mr. Chairman, I do not want any false impression to get started about it. There is a section which specifically says that for any breach of contract they can go into the court and have their rights cut off.

Mr. CULLOP. This same section provides:

Which leases shall be irrevocable, except as herein provided, but which may be declared null and void upon breach of any of their terms.

Mr. MONDELL. Mr. Chairman, I would like to yield, but really my time is running. I think the section is somewhat conflicting, but I am not raising that question now. My proposition is this: These leases ought to be irrevocable except for violation of their terms and for these reasons: The gentleman from Illinois in good faith offered an amendment shortening the time. In the interest of whom? He said in the interest of the people. How on earth are the people going to be benefited by brief leases? Everybody knows that a corporation or a municipality undertaking one of these enterprises would be fully justified—in fact, as a business proposition it would be necessary—in amortizing their enterprise within the period of the lease. Under the terms of the bill, the lease ending in 50 years, they would be justified, and any public-service commission would necessarily recognize their right, in obtaining a complete and full return on the investment within the life of the lease. The result would be that the users of the power would be compelled to pay not only a reasonable return to the power company as interest upon the investment but to pay for the entire plant also within the period of the lease. The bill says every 50 years. The gentleman from Illinois would have the people pay for it every 25 years, from some curious notion that in so doing we would give the people the benefit of cheap water power.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In a moment. Making a lease continuous does not prevent the adoption of provisions for a periodical readjustment of the charges to be made, if any, upon the enterprise. It does not take from the people any power of control whatever, but does take from the operator the opportunity to claim the right to receive within every period of the lease not only a fair return upon the investment but a complete return of the capital. It will be argued, of course, that at the end of the 50 years under the terms of this bill, if the property is taken over by the Federal Government, the Federal Government is to pay something for it. Just how much is not clear. Also, if it is leased to others they must pay for it, but just how much it is not clear. But those provisions are not a complete protection of the investment, and the result would be that the investor would be justified and would be held by the court to be justified in adding to his charge above what was necessary to cover a fair interest rate an additional rate to provide for the final wiping out of the capital invested within the period of the lease.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask that I may have five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that he may proceed for five minutes. Is there objection?

Mr. FERRIS. Mr. Chairman, the time has been limited.

Mr. MONDELL. I understood I was to have 10 minutes, but I did not ask for it when I first rose.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming? [After a pause.] The Chair hears none.

Mr. FOWLER. Will the gentleman yield for a question?

Mr. MONDELL. I do.

Mr. FOWLER. Does the gentleman from Wyoming believe that there will ever be a recovery of the property if it passes into the hands of a corporation for a period of 50 years?

Mr. MONDELL. I do not know of any reason why there should be a recovery of the property. I have never been able to adopt the philosophy of the gentlemen who imagine that the Government should retain some special right, other than the right of sovereign eminent domain which it has, to recover these properties. What are these properties built for? They are built to serve the people. What is the interest of the people in them? The interest of all the people is to get this service at the best rates, at the lowest prices.

Mr. FOWLER. Is there any more reason——

Mr. MONDELL. I can not yield further.

Mr. FOWLER. One more question is all I wanted to ask.

Mr. MONDELL. I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. MONDELL. Now, the gentleman does not serve the people by placing added burdens on enterprises. He does not serve the people by shortening the life of the lease and giving those people who have put their money in the enterprise an opportunity, at least an excuse, to charge a higher rate because the life of the lease is brief. The interest of the people in these enterprises is to have them perpetually operated at all times, and until the end of time, under proper public control in order that the people using the product may not be charged an unfair and exorbitant price. Now, the way to make those charges low, to have them as low as possible, is to relieve them from burdens, to relieve them from breaks in the continuity of the enterprise and establish it on a solid foundation on which it may run on at the least cost. I am utterly unable to grasp the philosophy of gentlemen who imagine that they are going to help the people, whose only interest is cheap power, by breaking the continuity of the enterprises and by loading them down with heavy charges. Shorten the term of the lease, the greater the burden on the people for amortization charges.

Mr. BAILEY. Will the gentleman yield?

Mr. MONDELL. I do.

Mr. BAILEY. Does the gentleman know of any corporation that does that now?

Mr. MONDELL. Any corporation that does what?

Mr. BAILEY. That gives the service without wringing a tribute from the people. I do not happen to know of such.

Mr. MONDELL. Does the gentleman want me to understand that there is no effective public control anywhere in the United States? Is that the gentleman's proposition?

Mr. BAILEY. There is a great struggle I think.

Mr. MONDELL. If we are a lot of pusillanimous folks everywhere under this flag that we can not protect ourselves from public-service corporations, why, a statute written on the Federal statute books will not save us. If we have not virtue enough, the people of those States and communities, to protect ourselves from our own local corporations, we certainly can not be protected by putting burdens on enterprise. The gentleman seems to proceed on the theory that the way to protect ourselves from exorbitant charges is to lay burdens on power enterprises. We want cheap power. We want rates controlled. The best way to get cheap power is to give continuity of tenure. The water rights are perpetual. If now you make a lease 50 years you simply give the lessee the opportunity to claim that it should secure full return of its investment as well as interest on it. That is placing a burden on the users that is not justified.

Mr. BAILEY. The gentleman has not answered the question.

Mr. MONDELL. I can not yield further. The gentleman did not ask a question that anyone could answer. I am frank to say I did not understand the gentleman's question. My proposition is that shortening the period of these leases makes a charge to the people that use the product greater. There is no escape from it. There is no getting away from it. If the lease were 10 years the burden on the people using the product would be still greater.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERGUSSON. Mr. Chairman, the gentleman from Wyoming [Mr. MONDELL] adopts one extreme; the gentleman from Illinois [Mr. FOWLER] is not exactly on the other extreme, but he is very near it. I understand the operations of the mind of the gentleman from Illinois, because when I first began to go into this proposition like he is doing now I halted at the proposition to make the possible limit of a lease as long as 50 years, but after hearing the men who have studied this question, men of the greatest eminence—Cabinet officers and ex-Cabinet officers—and after considering the arguments pro and con, I am now firmly satisfied that the possible limit ought not to be less than 50 years. That does not mean that all of these franchises are going to be granted for 50 years. There may be one granted for a shorter term, believed by the applicant to be sufficient, in a case where a man might want to develop a vein in a mine by the use of cheap hydroelectric power. There might be a case where a man would desire to saw timber in the forest and put it on the market; and in such a case he might desire a term for his lease for 10, for 15, or 20 years; and all of these things are to be in the discretion of the Secretary of the Interior. Then there will be propositions presented on the great streams for getting water for irrigation, some of them costing millions of dollars. Now, we can not expect capitalists to go into an enterprise taking ten, fifteen, twenty, or twenty-five million dollars without ample time certainly provided in the lease, provided they comply with the law, so long as they do not practice extortion on the poor people who are farming or mining who desire to procure this cheap hydroelectric power from the lessee. The lease may be canceled at any time for violation of its terms or the violation of any general regulation. It is not bound to stand for that 50 years. They will be under the supervision of the great Government of the United States, under men in high office. No difference what their politics may be, we can rely—we must rely—upon the patriotism, the integrity, and the wise discretion of men occupying such lofty official position.

So, my friends, in view of the fact that many enterprises will take great capital, we must make the inducement to men of large capital who are willing to abide by the terms of the franchises they are seeking. We must make it liberal, not only that they make as much as 6 per cent, a limit below which is unconstitutional, but make liberal terms, because electric power, if granted on a big enough scale, will be so cheap that we can afford that they make a fair return above 6 per cent and have the principal of the capital invested finally accrue. Nobody will object to that. Now, to cut it down to 25 years, as proposed by the gentleman from Illinois, will practically shut out great bodies of capitalists who can erect these great works of development on a big scale. The first objection to taking away all limit to the lease is this, that it puts too much power beyond the reach of the laws of the people. We must provide for ultimate control in the Government. When the period of 50 years has elapsed, if they have observed the law, if they have furnished adequate and reasonable service, and practiced no oppression on the public, the Government should have the discretion lodged in the Secretary of the Interior to renew it on the same or altered terms, as the then existing conditions and circumstances should warrant.

Mr. GOOD. Will the gentleman yield?

Mr. FERGUSSON. I will.

Mr. GOOD. In fixing the rate for this bill, it would become a law with this limitation, that the Secretary, as I understand

it, would have to fix a rate that would be high enough to permit the persons who put the money in the enterprise to earn a reasonable return to care for the rusting and wearing out of the property and for the replacement of the investment at the end of 50 years?

Mr. FERGUSSON. Not quite that; but still that they may be allowed, without any interference, to earn their 6 or more per cent. We must assume that the Secretary of the Interior is an honest, patriotic public servant who is fair to big capital and at the same time determined to protect the uses of the power. Nobody is waging war on big capital that is honest and is conserving the public weal. We have got to consider both interests, and the Secretary, at the end of 50 years, as well as during the intermediate time, should control and be able to punish any injustice to the public by evoking the franchise. Who can foretell what may be required at the end of 50 years; what economic developments may be coming? What seer 50 years ago would have dared to foretell the marvels of to-day of electrical facts existing all around us? The established facts of aviation?

The end of 50 years is a long way ahead. We are moving with startling rapidity in the civilization of the whole world, and our country bids fair, in view of the awful calamity taking place in the Old World at this moment, to be the only great Nation left to keep aloft the flag of peace and good will to all the world. [Applause.] The Statue of Liberty in New York Harbor, holding the flaming torch of civilization, may supply the light needed, in but a short time, maybe, to save the present civilization of the Old World from sinking into another Dark Ages, which followed the destruction of the civilization of Greece and Rome.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMSON of Illinois. Mr. Chairman, speaking first to the amendment to the amendment offered by the gentleman from Wyoming, and then to the amendment offered by my colleague, as I understand the views of these gentlemen, they are well-nigh opposite, as the gentleman from New Mexico [Mr. FERGUSSON] has said. My colleague would limit these leases to 25 years, and the gentleman from Wyoming would take off the limit altogether and not place any maximum in the law, the idea being that 50 years may not be sufficient time to amortize some of these plants, as I understand him.

Mr. MONDELL. The gentleman perhaps did not clearly understand me. My proposition is that plants ought not to be amortized in 50 years, or in any such period, because it adds to the charge.

Mr. THOMSON of Illinois. I understand. In answer to that I would say it seems to me that these plants, even if the lease was of a longer period than 50 years, would be amortized in the 50 years. I do not believe, for instance, that bonds will ever be issued on a proposition of this kind for a longer period than of 50 years. From the standpoint of an investor, people are not looking for that kind of an investment. They would prefer a 20-year, or 30-year, or even a 50-year bond, certainly, to one running longer than that time.

Mr. MANN. What is to become of the property at the end of the 50 years?

Mr. THOMSON of Illinois. At the end of the 50 years, under section 6, I believe it is, any one of three things can be done: It can be re-leased under such terms as may then be agreed upon to the same lessee; it may be taken from him by the Government; or it may be leased to a new lessee at the end of 50 years. That is my recollection.

Mr. MANN. It can not absolutely cease, can it?

Mr. THOMSON of Illinois. No. If the Government takes it over it must take it over at a valuation to be fixed as the bill provides it shall be fixed under section 5.

Mr. MANN. So that if there were bonds outstanding then they would still be a lien upon the property or the proceeds, I take it?

Mr. THOMSON of Illinois. Certainly. And I will state further that the bill specifically authorizes the mortgaging of the property to such an extent as might be desired.

I want to speak, though, to the other end of this proposition, namely, to the original amendment, which is to the effect that these leases shall be limited to 25 years. When we started to consider this proposition in committee I felt somewhat as the gentleman from New Mexico [Mr. FERGUSSON] says he did. I questioned seriously the advisability of giving as long leases as 50 years. But as I listened to those who came before the committee who had studied the problem from the points of view that they gave us, I felt that 50 years was not unreasonable. Certainly such men as Secretary Lane and former Secretary Fisher, of my own State, and Mr. Pinchot would yield to nobody in their desire to protect the interests of the people in problems of this kind; and I was extremely interested, when those gentlemen appeared before the committee to give their views, to find out what they were going to say to us with reference to this particular phase of the problem, namely, whether or not 50 years was too long a time and longer than should be expected and was reasonable. I was gratified to find them practically of one mind on that proposition, and, as I understood each of these men, they gave it to us as their opinion that 50 years was not too long a time.

Mr. CLINE. Mr. Chairman, may I ask the gentleman a question, briefly?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Indiana?

Mr. THOMSON of Illinois. Certainly.

Mr. CLINE. What is the objection to an indeterminate lease, provided it is sufficiently safeguarded by revocation clauses so as to protect the rights of the people?

Mr. THOMSON of Illinois. The main objection, as I recall it, was that a lease of that kind would preclude absolutely the community or the Government, whichever you want to call it, taking over this property at any time in the future, should conditions arise that would make it desirable to do so.

Now, my friend from Illinois [Mr. FOWLER] asked the question whether this property would ever be taken over under the terms of the lease. I have no doubt it will be. I have no doubt but that at the end of a great many of these leases the conditions will be such that there will be no desire to take them over, and that it will be agreeable to everyone to renew the lease to the same lessee, but I believe in some cases it will be desirable to have the Government take the property over, in which cases that action will be taken.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FERRIS. Mr. Chairman, may I ask what the status of the time is? How much time is left on this?

Mr. BAILEY rose.

The CHAIRMAN. Five minutes will be left when the gentleman from Pennsylvania [Mr. BAILEY] has finished. Twenty minutes have now been used. The gentleman from Pensylvania is now recognized.

Mr. BAILEY. Mr. Chairman, I wish to speak a few words concerning the amendment offered by the gentleman from Illinois [Mr. FOWLER].

While I am profoundly in sympathy with the broader purposes of this far-reaching measure, it is impossible for me to approve some of its details. In an especial manner I protest against the 50-year term provided for these leases of water power. Fifty years is a long time. It is not so long a time measured in the life of nations, but it is very long measured in economic development. Not a man on this floor to-day can reasonably expect to live to see the expiration of one of these leases if the term provided in this bill shall stand. But I earnestly hope it may not stand. I hope and profoundly urge that it shall be reduced to a much lower limit, to a limit conforming to the better practice of the time in making grants to public-service monopolies. In most cities to-day franchises are limited to 20 or 25 years. Grants for longer terms are the exception rather than the rule.

But there is another phase to this question to which I wish to invite attention. We are proposing here to create a new monopoly force. We are deliberately inviting into the economic arena another and a fresh power against which we are certain later to be found struggling as to-day we are struggling with the power vested in those who control our iron highways, our water supply in cities and towns, our urban and interurban transportation, our telegraph and telephone, our light and heat, and other public utilities. Yes; this new power is to be subject to regulation; it is to be limited in the matter of charges and otherwise. But is this not true also of all the other forces enumerated above? And is not this matter of regulation one of the most serious of all the problems confronting our people to-day? Is it not a growing conviction everywhere that regulation is doomed to ultimate failure, and that it must be supplanted at last by public control and perhaps public operation? To me it seems that what we are really doing with respect to water power is precisely what we have already done, to our shame and our sorrow, with respect to other public utilities.

Mr. RAKER. Mr. Chairman, will the gentleman yield there for a question?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from California?

Mr. BAILEY. I do.

Mr. RAKER. Does the gentleman make any distinction in this bill between where the Government simply proposes to lease its land for use and the governmental feature of a State in regard to its governmental functions?

Mr. BAILEY. I take it that there is no material difference between this proposed grant and a right of way when it is granted to a railway. The railway company which possesses the shortest and best route between two given points has an advantage which can never be overcome by another power. It therefore possesses a monopoly. There can not be two best water-power supplies for a given locality, and the one that obtains the best will have a monopoly.

Mr. RAKER. Will the gentleman yield again right there?

Mr. BAILEY. I will.

Mr. RAKER. Evidently the gentleman has not been in the Western States.

Mr. BAILEY. I have been in some of the Western States.

Mr. RAKER. There are many places where there are three or four or five available water powers.

Mr. BAILEY. Then you are more fortunate than most people are. I congratulate the gentleman.

Mr. RAKER. The trouble is that one concern tries to control it all.

Mr. BAILEY. That is, by combination. In Chicago I think they have 10 or 12 gas companies; but you have a gas monopoly there just the same, as I remember.

Mr. MANN. We have one gas company.

Mr. BAILEY. You have 1 company controlling 12 or 14.

Mr. MANN. We have at least one.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Iowa?

Mr. BAILEY. I would like to yield, but I have only a moment of time.

Mr. GOOD. Just for a question.

Mr. BAILEY. Very well.

Mr. GOOD. Does not the gentleman know that men like Dr. Bemis, who has, perhaps, made a greater study of this question than any other man in America, say that the only system is the granting of a franchise, a franchise perpetual, or for an indeterminate period? Because where the right to regulate is in a commission or in a State or Government the price must be such, if the franchise is for a limited period, as to give them a fair return on their property and on their investment at the end of the franchise.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FERRIS. Mr. Chairman, I think the debate has quite well disclosed the fact that there is a wide diversity of opinion in the minds of gentlemen here as to what the exact term should be. For instance, we have our good friend from Iowa [Mr. GOOD], who thinks it ought to be in perpetuity, and he quotes what he claims to be the most noted authority on the subject, who says it should be in perpetuity. On the other hand, we have our distinguished friend from Illinois [Mr. FOWLER], who says that it should be 25 years. It is easy to differ about what should be the exact term of years and what should be the exact term of the lease.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. GOOD. What objection is there to that proposition if the Government has the right to purchase under reasonable regulation and has the right to regulate at all times?

Mr. FERRIS. I shall try to reply to the gentleman. The reason, in a word, is that practically all the developed water power now belongs to some 24 power companies, and I shrink from a complete surrender of the rest of it to them. It has gotten into the hands of a little handful of companies, so that now we do not want to give away the rest of it; and the pressing need, in my opinion, for this bill and for legislation is to put in operation more water power, so that there may be some competition preserved between the future water power and the water power that has already crept away from us.

Mr. GOOD. Mr. Chairman, will the gentleman yield for another question?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Iowa?

Mr. FERRIS. I regret I can not yield further. I have so little time and I feel we must go on.

Mr. MANN. Mr. Chairman, will the gentleman yield to me for one question?

Mr. FERRIS. Yes.

Mr. MANN. Is not the position of this House practically foreclosed by the action which it took on the Adamson bill?

Mr. FERRIS. I so feel about it.

Mr. MANN. And the two bills ought to conform with each other?

Mr. FERRIS. I think they should; and I thank the gentleman from Illinois for the suggestion.

The gentleman from Illinois [Mr. FOWLER] has well said that this is a case of great interest to the country. The evidence was almost unanimous on the proposition that the terms should be for a maximum of 50 years. Like my colleague on the committee, Mr. THOMSON of Illinois, when we began the consideration of this bill and began the hearings on the subject, embodying pages and pages, I had certain views of my own in regard to the term, and I may say that every man on the committee had in mind a term of years that he thought was a correct one.

But after we had consulted engineers, after we had consulted financiers, after we had consulted what is conceded to be the most eminent authority on water power in the country, it was agreed—and the committee were unanimous, as a result of their investigations—that 50 years should be the term.

Mr. FOWLER. Will the gentleman yield?

Mr. FERRIS. I can not yield.

Mr. FOWLER. I think the gentleman is mistaken about this question having been discussed. No motion was ever made to change it.

Mr. FERRIS. Oh, yes; there was.

Mr. FOWLER. Only a motion to recommit.

Mr. FERRIS. The gentleman says there was no vote on that question. There was a motion to recommit.

Mr. FOWLER. It was never discussed, though.

Mr. FERRIS. It was also in the committee. The gentleman has forgotten. I know he does not intend to be mistaken, but nevertheless I feel sure he is.

Mr. FOWLER. That was on a motion to recommit.

Mr. FERRIS. The time or tenure of the lease is pretty well agreed to be 50 years. The enemies of this bill—or rather I will say the opponents of this bill—are insisting that the bill as drawn is not workable. I call to our assistance the friends of conservation, the friends of this bill, the friends of those who want to accomplish something, and ask them to stand by the 50-year term, to the end that they may not pass something that will be inoperative and that will not accomplish anything. The real friends of this bill do not want to make the term 25 years, because if you make the term 25 years you can not get capital to develop these water-power projects. The indictment hurled at the legislation by those opposed to it would then die. Then what will happen? The present entrenched water power of the country will go on without competition, without molestation or regulation, and our Government water power will run idly to the sea.

Mr. Chairman, this precise matter has been given great consideration. The Interior Department thinks 50 years the correct term, and every conceded authority that appeared before us stated that the term should be 50 years. The question is also res judicata in this House. It has been passed on. How can gentlemen justify making the term 50 years on the navigable streams in the East, where population is heavy, where men are rich, and capital more easy of acquirement, and then make the term 25 years out in the West, on the bald prairies, where it is hard to interest capital?

Mr. CULLOP. Mr. Chairman——

Mr. FERRIS. I hope the gentleman will not interrupt me. I do not want to be discourteous to my friend, but I am trying to present the views of the committee.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment of the gentleman from Wyoming [Mr. MONDELL] to the amendment of the gentleman from Illinois [Mr. FOWLER].

Mr. STAFFORD. May we have both amendments reported?

The CHAIRMAN. If there be no objection, both amendments will be reported.

The Clerk read as follows:

Amendment by Mr. FOWLER:
Page 2, line 2, after the word "than," strike out the word "fifty" and insert the word "twenty-five."

Amendment to the amendment, by Mr. MONDELL:
Page 2, lines 1 and 2, strike out the words "for a period not longer than 50 years."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Illinois [Mr. FOWLER].

The question being taken, Mr. FOWLER demanded a division.

The committee divided; and there were—ayes 3, noes 35.

Accordingly the amendment was rejected.

Mr. FOWLER. Mr. Chairman, in line 2, page 2, I move to strike out the word "fifty," after the word "than," and insert in lieu thereof the word "thirty."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, strike out the word "fifty" and insert the word "thirty."

Mr. FOWLER. Mr. Chairman, I have always had the highest respect for the distinguished gentleman from Oklahoma [Mr. FERRIS]. He is always interesting, and always sincere. The gentleman undoubtedly has a section of country that he is most industrious for, and I congratulate him for that. There is great hope for the West. It is a hope for me, the same as it is for him. It is a hope for my posterity, the same as it is for his. It is a hope for my country, the same as it is for his. But when the gentleman says there was an amendment offered to the Adamson bill limiting the time to 25 years, and that that amendment was offered by me, and that it was thoroughly discussed on the floor of this House, his memory fails him. The truth is, Mr. Chairman, that no amendment was ever offered on the floor of this House to limit the time to 25 years, except an amendment offered to the motion to recommit the bill, and that amendment was offered by myself without debate, the right to debate being cut off by a rule of the House.

Now, it is said by the gentleman from Illinois [Mr. MANN] that the minds of the Members of this House are concluded upon this proposition. The vote a short time ago revealed that a majority of the minds are concluded in favor of corporations. Now, it may be proper to give this right away in perpetuity, and that is what this bill does——

Mr. FERRIS. Oh, no.

Mr. FOWLER. The Adamson bill gives it away in perpetuity, but I have the utmost confidence in the wisdom of the Senate that it will take care of the rights of the people and come in as the great rescuing power. This bill will grant this right in perpetuity if you make it 50 years. If the question of human slavery had been settled by our forefathers in the beginning of this Government, we would have had no Civil War. Talk about making it perpetual! Talk about taking away from the people a great right like this and giving it to corporations eternally! Do you know that such acts will sow the seeds of dissention within your own borders, which I fear in the future will cause such strife as the sixties hurled upon this Republic. To make it possible for corporations to control this country indefinitely is to sow the seed of bloodshed, and when you say that the Senate will make it perpetual, without limitation, you stand for sowing the seed that will breed dissention and will create more anarchists in America than all the rest of the powers put together. No organization, political or otherwise, will manufacture discord and discontent as fast as a law giving to corporations the control of the business of this country without limitation and without check.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I want to see if we can agree on time. I ask unanimous consent to close debate on this subject in 40 minutes. I wish it could be a much shorter time, because we have debated it so long. I shall want the last 5 minutes myself.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that debate on the pending amendment close in 40 minutes. Is there objection?

There was no objection.

Mr. FALCONER. Mr. Chairman, I will vote against the amendment of the gentleman from Illinois, and I am not afraid that without his amendment the bill would cause socialism to take control of the Government of the United States. I want to say that I believe that before socialism is a controlling factor in the political field in the United States socialism will be neutralized to such an extent that it will probably be on a par, at least, with Democracy or Republicanism or Progressivism, so far as politics are concerned.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. FALCONER. Yes.

Mr. FOWLER. Does the gentleman know that socialism, not political, took charge of the burley tobacco district in Kentucky in order to get relief from the Tobacco Trust?

Mr. FALCONER. Oh, I have heard and read much about the conditions that were supposed to exist that caused that trouble. I have in mind a fine distinction, as I think every Member has, between socialism and anarchy. I am not a Socialist, but I am not afraid of socialism on the proposition submitted by the gentleman from Illinois. I do not believe that 30 years is a sufficient time. I think the bill ought to stand at 50. I think 50 years, however, is the maximum limit, and I would not agree with those who would continue indefinitely the contract with corporations that would develop water power in the United States under a fee simple and permanent title. The gentleman from Wyoming [Mr. MONDELL] a few moments ago made the statement that primarily companies build and construct these water-power plants for the purpose of serving the public.

Mr. Chairman, I believe business men invest their money primarily to make money. I do not believe that we have yet reached that standard of citizenship which is so thoroughly altruistic as to take the position that the business men of this country are going out and putting in their money or selling bonds for the purpose of serving the public. I believe the business man invests his money to make money. I think 50 years is a sufficient time for any company of men to develop a water-power proposition in America. As was stated by the gentleman from New Mexico [Mr. FERGUSSON], we are living in a rapid age, and 50 years is a long time.

I believe that never again should this Government give away water-power sites and forever surrender ownership. This Government should hold title to all water-power sites, and I believe that 50 years is the right period. Twenty-five years is not sufficient time. It would embarrass available capital and result in giving or continuing a monopoly now operating. It has been shown that 27 companies now control the developed water power in the United States. We need more capital to develop more water power. Fifty-year term operation is, in the judgment of men who are interested in conserving the natural resources to the public, the proper time limit.

Mr. Chairman, this Congress has had its time taken by many important measures. A heavy program has been partially worked out. Without question more important legislation has been considered and enacted in this Congress than in any Congress in many years past.

LAND QUESTION.

No question in the legislative program has been more continuously to the front, either directly or incidentally, than the land question, and, Mr. Chairman, no question is more important in its bearing upon the happiness and prosperity of this or any other country than that of land ownership and development.

Besides the several appropriation bills incident to the administration of Government we have given much time to tariff, Alaska Government railroads, currency, trust legislation, immigration, canal tolls, and a thousand and one matters of less importance.

But more important than these, Mr. Chairman, has been the line of legislation having to do with our natural resources.

"Conservation" is a household word in every American home, a subject for debate in every school of economics. Hundreds of bills with their many theories involving land problems have been introduced by Members here.

We have an exhaustive program in land reclamation; we have given much time to and expressed our views on the subject of hydroelectric development; and the conservation bills now before Congress for consideration, detailing proposed lines to be favored, each and all indicate the interest the country is taking in the land question.

During the past 18 months I have had some experience in serving my people in matters that have taken me to the Interior Department, and the experience has been worth while. I am impressed more than ever that the American people are awaking to the necessity for a radical change in land ownership, land development, land taxation, and land as security for low-interest, long-time loans.

There are many men who decry the practice of land monopoly. There are many who condemn land gambling and speculation, and there are many men who take the position that land tenancy under landlordism is a curse to the country fostering the system.

There is a principle as fundamental as life itself, Mr. Chairman, and it is involved in man's right to land possession to an amount sufficient to produce, under his industry, a competency.

The land monopolist does not conduce to general prosperity. The land speculator who boasts of wealth acquired through price manipulation is on a par with a trade-exchange operator. And I will say in passing, Mr. Chairman, that the one factor more than any other that tends to delay low-interest money to the farm borrower is the unstable, unreliable values of land due to the professional land speculator.

I have several times addressed the House on subjects pertaining to farm and land matters, and I have received many communications referring to the subjects discussed. I desire to read into the RECORD a letter I received some days ago from Mr. Theodore Teepe, of Seattle, Wash.

Mr. Teepe's communication leads to the land question. His views are accepted by many people in Washington State. He draws the conclusion that land monopoly, land privilege, and land speculation is a curse to the State.

He further emphasizes the proposition that cooperation conserves energy, and there are many who agree with each of these conclusions.

I insert his communication because I believe he covers important features of the land question:

SEATTLE, *July 22, 1914.*

Hon. J. A. FALCONER, *Washington, D. C.*

DEAR SIR: With the object of directing your attention to certain great questions of human welfare, I am taking the liberty to address you.

One of the big questions of immediate concern is, "What can be done to encourage business?" An analysis of the word "business" almost suggests the answer to the question. Business is nothing but "busy-ness"—that which one is busy about. In that sense all people who do something to make the world richer and better are business people. The term "business" has been associated entirely too much with the idea of exploitation. It is time we were bringing it back to its proper meaning.

If business is nothing but one's busy-ness, it is clear that one must have free play to be busy or active. That suggests just exactly what is the matter with business to-day. Its activities have been restricted to such an extent by the legalized special privileges of the few that business hasn't even room enough to turn around.

The most restrictive of all economic forces is land monopoly. There is not a monopoly of any kind that is not based on land privilege. Neither machinery nor any other commodity contains within it the powers of monopoly. If labor owns only the machinery, the landowners can dictate the terms of employment; but if labor has free access to nature's great storehouse, land, all of the machinery and other commodities in the world now privately owned could be duplicated in three or four years. The existence of the machine is in the mind of him who can construct it.

To open up business opportunity is merely a matter of making labor's access to natural opportunity easier. Holding land out of use is like owning a tollgate. Such tollgates should bear the full burden of our taxes, and such taxes should be increased, little by little, until it would be impossible for anybody to hold a piece of land out of use and profit by it.

LAND SPECULATION AN ECONOMIC CURSE.

Land speculation is probably the greatest of all economic curses. Betting on the rise in value of city lots and farm and timber lands has ruined tens of thousands, and, besides, practically all the stock-market gambling has its foundation on land privilege. The rise in the value of land automatically brings about hard times. When capital can get access to land—which includes timber, water power, minerals, etc.—prosperity abounds, but that very prosperity causes land values to rise until finally capital refuses to pay the high price and the panic is begun.

TAX LAND SPECULATION.

It behooves everybody who lives by the sweat of his brow, whether he be farmer, merchant, or laborer, to start on the steady and persistent policy of taxing all land speculation out of existence. Every penny of increased taxes on the privilege of holding natural opportunity out of use would make the storehouse of nature easier of success and increase the prosperity. If such a policy were started and steadily persisted in, there would never be another period of business inactivity, and when the final goal was reached where all speculative value was taxed out of natural opportunity, the human race would be free from economic oppression.

Think of the wealth producing capacity of such a people! Think of their capacity to enjoy the great and sublime things of life! And yet we, as a society, seem to be afraid to move in the direction of freedom, even though each step would bring greater and greater prosperity.

COOPERATION CONSERVES ENERGY.

Along with opening the storehouse of nature we must learn to save energy by cooperation. Cooperation is the great watchword of the century. Instead of waiting for a paternal Government to do things for us and make life one endless battle with politicians, we should learn to cooperate without the assistance of the State. Cooperative societies based on free access to land, and a money system which can not demand interest except for risk incurred, would make it impossible for the producers to be exploited. Such cooperatives would be run by the workers in, or, in other words, the owners of, that particular cooperative industry. Under a State-owned industry the whole State would be interested in its management through officials appointed or elected for the purpose, and the workers would be enslaved by voters who mean well but who could not be well enough informed to vote intelligently on the intricate questions involved. The small cooperative organizations now in existence are not temporary affairs, to be superseded by State-owned industries, but they are the beginning of the great voluntary organization of society so many dream about.

With this great goal in view, there are many things to do to-day and next day and the next. The Government should do everything in its power to widen the scope and make freer the activities of business. It should organize a nation-wide bureau of information about employment. A department of markets should be organized, with elaborate daily reports of market conditions affecting each locality. Special agents should be sent into every part of the United States to give aid to farmers in particular in organizing cooperative purchasing, selling, and producing societies. A special study of uncertain industries, such as the timber industry, and seasonable industries, such as farming, fishing, etc., should be made. It should be possible to do much to coordinate or dovetail the unsteady or temporary industries so as at least to mitigate their worst features.

When labor in the city and the country begins to cooperate it will demand cheaper money. The money bill recently passed makes plain that sound money should be based on wealth of ready commercial value. The Federal Reserve Board is authorized to issue currency against approved commercial paper, but for each hundred dollars of currency issued there must be deposited as security $100 of approved commercial paper and $40 in gold. It is the gold security that gives Wall Street the money monopoly. It is readily seen that the amount of currency is limited to two and one-half times the available gold, and the power that controls the gold controls the whole money system. Some day our money system will be based strictly on a commodity security and gold will have no advantage over any other commodity. If an individual or an organization has security of proper value, there is no economic reason why they should not be loaned money direct and without interest.

The legislator who can aid labor in realizing that there are ten or a hundred jobs for every laborer if all the restrictions are taken from natural opportunity, and then can aid in clearing away the rubbish so that labor can learn to cooperate, will be of great service to humanity.

With great respect, I am,

Yours, very truly, THEODORE TEEPE.

Mr. Thorwald Siegfried, of Seattle, wrote me some time ago, emphasizing the importance of land distribution to the end that independence and prosperity may come to the community and State.

I desire to read this letter, together with an article of his own writing published some months ago.

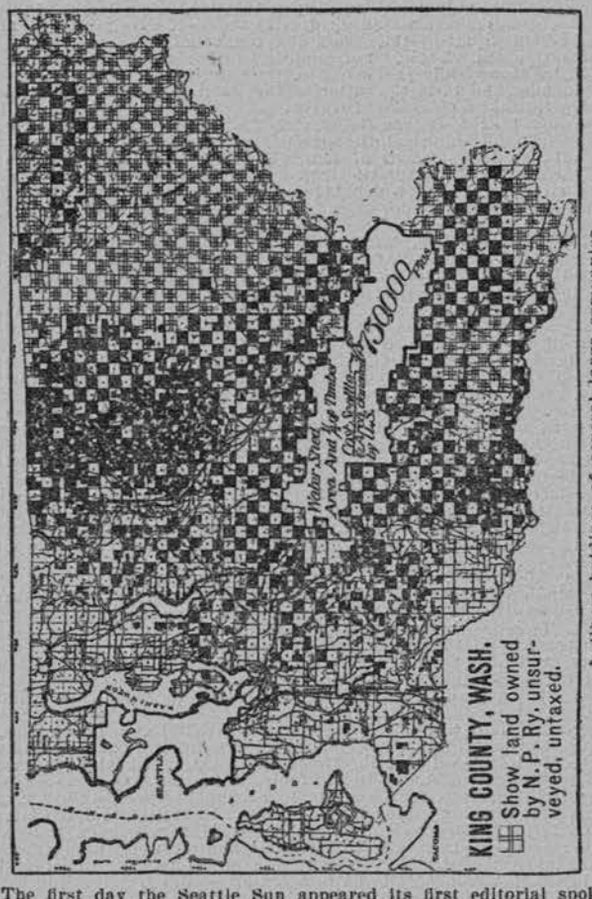
The accompanying map shows the large holdings of landowners and, further, the large areas of unsurveyed, untaxed lands in King County.

The area in black is largely timberlands and will not be available for agricultural purposes until the timber has been removed.

It is all interesting, and I insert this article and letter for the purpose of giving to the public the viewpoint of one who has made a study of the land problem and who has reached the conclusion that the land belongs to the people for their legitimate use and of right should not be held as the wares of exchange for the land speculator.

FUNDAMENTAL REFORM LEAGUE ISSUES MAP INTENDED TO SHOW SIX MEN HOLD MOST OF PROPERTY.

(By Thorwald Siegfried.)



The first day the Seattle Sun appeared its first editorial spoke for the future greatness of Seattle and pictured a metropolis without slums.

Next year immigrants out of whom slums usually grow, will begin arriving by hundreds and thousands.

The question is: Shall the immigrants form slums in the city or create wealth, commerce, and prosperity by working land?

What can the immigrant do with the land shown in the map in black—owned by six corporations?

Some of it is for sale, some can not be bought at any price. For instance, try to buy a lot or an acre in the big tract of timberland below West Seattle, inside the city limits. It is simply not for sale. In New York City the Astors put big signs on their property, "Astor estate: Not for sale." It is the same in King County but without the board signs. If it were for sale the price would still stand in the immigrant's way and would be a demand on him that he pay money and labor for something that is the Creator's gift to the race. Trying to determine what is a "fair" price for natural resources is like trying to find a "fair" price for permission to put a tollgate across Second Avenue; there isn't any fairness about it, looking at it from the immigrant's point of view

Besides the land shown in black, much of the white land is also held idle for speculation, and it is not to be wondered at that the immigrant stops in the cities, where he can "flop" from night to night at 10 or 15 cents per, instead of going on to land for which tens, hundreds, and thousands of dollars are demanded before he can perform the labor for which we really want him to come here.

The real crux of the situation has been revealed in the dealings between the city of Seattle and the Northern Pacific in the watershed area. The condemnation jury ascertained, and the city will pay, the present value, in money, of the land and timber taken from various owners.

Rather than sell its land and timber at their present value, the Northern Pacific gave the city its land, free of cost, providing it could keep the timber and could remove it sometime within 30 years.

The value that is expected to accrue in the future is the lure that makes men hold land which they will never use themselves.

King County would take the greatest forward step in its history if it could, lawfully, and would pay the owners of all its lands what they are worth to-day and then throw them open to those who would actually use them productively, either without cost or at a cost never to exceed their present value.

Immigrants will test the soundness of our institutions. The fact that they give us concern in so new a country is proof that things are not altogether right. Oregon and Washington, if they had the whole population of the United States within their borders, would have a population less dense than that of England.

Seattle already has a small slum condition, revealed by the activities of Building Inspector Josenhans; the growth or extinction of slums depends in a large measure on what we do with the land.

The sections of land marked with double crosses on the map and similar lands in other counties are the lands affected by Congressman FALCONER'S proposal to have unsurveyed timberlands listed for taxation. At present they are untaxed, and the Government in protecting its timber from fire protects these untaxed lands also.

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SEATTLE, *July 25, 1914.*

Hon. J. A. FALCONER, *Washington, D. C.*

DEAR SIR: The foundations of our civil liberties were laid in the Magna Charta of 1215, of our religious liberty in the foundation of the American Colonies, and you, as a Member of Congress, can take part in grounding economic liberty upon the rock of justice by making practical the adjustments and readjustments so urgently needed and so clearly pointed out by the events of recent months.

As a part of this letter I am sending you a review of the Mexican situation by Hon. Louis F. Post, Assistant United States Secretary of Labor, founder and formerly editor of the Public, Chicago, from which the review is taken (May 29, 1914).

Mexico has taught us that the existence of a law or custom whereby men may hold idle any quantity of land or may permit other men to use it only on the payment of rent, for which they make no return except the giving of the privilege to use the land—a privilege which is not theirs to give and which inheres in every man by virtue of his existence—that the existence of such a law or custom breeds revolution of the unquenchable sort.

* * * Governments, like men, reap what they sow. You as a Congressman have the great privilege of helping our Government to sow good will and peace and wisdom not only in the international affairs incident to the Mexican situation but also in our domestic problems which, like those of Mexico, are too much polluted with selfishness, fear, and violence to endure the successive cataclysms which their malformations render inevitable.

It is needless for me to cite to you figures or specific instances in support of the claim that those economic relationships which express tyranny, greed, and constant violence have so far extended their depredations and have become so detested in the public conscience that our alternatives are only those of intelligent, conscientious effort at reform on the one hand as opposed to a violent overthrow on the other. For one I have faith enough in the efficacy of the former and in the willingness of men such as you to cooperate to that end, so that I do not fear the latter; yet I do not blind myself to the fact that our people are more irascible, less phlegmatic, than the siesta-loving Mexicans, and to tempt them to use in retaliation the violence with which they have been deceived and oppressed would be as foolhardy as it would be fatal.

Already 5,000,000 people in New York City are the tenants of but 125,000 landlords, and census returns show a constant increase in farm tenantry. Seattle, a city of over 300,000 people, is situated in a county as large as Delaware, rich in minerals, timber, and soil; yet over 40 per cent of the county's area is owned by six interlocking corporations, and of the remainder much more than half is held idle by a small number of persons. Mexico has taught us not so much about Mexico as it has taught us the significance of the conditions which we meet in everyday life at home.

Is it too much to ask that Congress take in hand as a Federal matter the task of ascertaining how far we tolerate institutions which have made the Mexican revolution inevitable and inextinguishable? If there is need for enlightenment as to the facts, is the task too large or too vital or too dangerous for Congress to attempt? I respectfully urge upon you that it is not asking too much; that the task is not too large, not too vital, and not at all dangerous. Indeed, I urge upon you consideration as to whether it is not the first and most urgent duty now devolving upon the Members, committees, and Houses of Congress to ascertain whether monopoly in natural resources—land, water, minerals, and sites—is not wholly deleterious to our welfare as a Nation and as individuals

I do respectfully recommend that a joint committee of the two Houses of Congress be authorized to make investigations, collect data, and take testimony, and to publish the results thereof, with respect to the causes and incidents of the Mexican revolution and their relationship to the internal problems of the United States.

Respectfully, THORWALD SIEGFRIED.

Mr. Chairman, I am inserting herewith extracts from the article of Mr. Louis F. Post referred to in Mr. Siegfried's letter. It is evident that Mr. Post attributes the persistent discord and ever-menacing turmoil which has characterized Mexico for a century to a land-spoliation system. Treating this subject, he says:

Beginning with the revolution of 1810, under the patriotic priest, Hidalgo, and closing with the military progress of the Constitutionalists in 1913, this history lays bare the terrible experiences of the Mexican masses in their patient efforts to recover land and liberty under law—under better laws in many ways than we boastful "Saxons" can truly claim our own to be.

Their struggle of a century has been animated by the longing of Mexican peasants to democratize Mexican land. Hidalgo led the first revolt. The land was in process of restoration to the people for tillage when he, betrayed to the aristocracy by one of his own officers, was condemned and shot for "treason." But the hundred years' war had only begun. Under the leadership of Morellos, the first constitution was adopted in 1813. It recognized equality of citizenship and established liberty of the press, a free ballot, abolition of personal taxation, partial abolition of land monopoly, and the popular initiation of laws. In 1815 the pendulum swung backward again. Morellos also was executed. Still the war went on, and the pendulum once more swung forward. A new constitution was adopted in 1824—though for national independence rather than popular freedom—and Guerrero, the great Mexican "Commoner" became President. Guerrero abolished the last vestige of chattel slavery, and loosened the bonds of peon servitude. His successor, however, was treacherous to the people, and there was despotic reaction again. But again not for long. The democratic spirit came uppermost in 1833, when for a little while popular government resumed its sway, but only to be thwarted by revivals of the old aristocratic, ecclesiastical, and military conspiracies. Through these, Santa Ana vaulted into the dictatorial saddle.

At this time Mexico offered temptations to the American slave-ocracy similar to those which have more recently made American plutocracy keen for war, and our war of conquest began. Its passions have lingered in Mexico all these years. The Mexican people have distrusted us ever since. Nor without reason. Our object in making war upon Mexico remembered, and the efforts of American investors in Mexican concessions to precipitate another war of conquest considered, why should they not be distrustful?

On both sides that war of Santa Ana's day was "a rich man's war and a poor man's fight," as most wars are. It served to solidify the Mexican classes while it lasted, but when it was over the long-drawn-out Mexican civil war of 1810 revived. The revolutionists under Alvarez were triumphant at first in this democratic revival, but his successor, Comonfort, was soon afterwards displaced by upper-class conspiracies. Conciliatory to those propertied interests of his country, which never in any country conciliate except to gain leverage for a vicious spring, Comonfort ended his life in exile.

Meantime, however, the constitution of 1857—perhaps the most advanced democratic constitution in history—was adopted. It declared that the right to landed property depends upon occupation, and that this requisite can not exist "unless the land be worked and made productive." Described by the authors of this history as "the exact expression of the Mexican people, as distinguished from the church, army, and aristocracy," the democratic constitution of 1857 had been 47 years in the making. For 57 years following the Mexican peasantry had fought for it against treachery within and speculation from without. They are fighting for it yet.

* * * * * * *

Not only did the Mexican constitution of 1857 demand the land of Mexico for the industrious people of Mexico; it expressly recognized that "the rights of man are the foundation and the purpose of social institutions"; that "everyone is born free"; that education must be free; that "every man is free to adopt the profession, trade, or work that suits him—it being useful and honest—and to enjoy the product thereof"; that "no man shall be compelled to work without his plain consent and without just compensation"; that "the liberty of writing and publishing writings upon any matter is inviolable"; that religious institutions shall not own real estate, except buildings used immediately and directly for their own services; and that there shall be no law establishing or forbidding any religion.

The ecclesiastical attempts to overthrow this constitution, aided by foreign influences, were unsuccessful, thanks to the patriotic leadership of Juarez, until France established an imperial throne in Mexico with Maximilian upon it. When Maximilian's throne toppled, Juarez came again into high service and for nine years made that splendid constitution of 1857 a living thing. He remained the people's President from 1867 until his death, being again and again elected by free popular vote. During this golden reconstruction period Mexican peasants peacefully tilled the little farms that had been carved for them out of great estates, under their constitution of 1857.

But when Juarez had passed away, Diaz came into power. This was in 1876. The civilizing work done by Juarez has, by iteration and reiteration, been falsely attributed to Diaz. His own work consisted not in building up the Mexican democracy, but in turning democratic Mexico into despotic and barbarous Mexico.

It was under Diaz that the constitutional land reforms of Juarez were swept away by stupendous frauds, made effective by unbridled power. The details are shocking. Industrious peasants were evicted summarily from their little holdings, lawlessly and without even an investigation of their rights. The Diaz policy was the immediate cause of a renewal of this hundred years' war, the modern echoes of which we have been recently hearing from Torreon, Tampico, Saltillo, San Luis Potosi, and even from the City of Mexico.

* * * * * *

The land question is the core of this struggle by Mexican peasants for equal rights and by their adversaries for monopoly privileges. Until the land question in Mexico is settled, and settled right or in the right direction, the hundred years' war in Mexico, now well into its two hundredth year, will not end. There can be no permanent peace there until the land of Mexico has been democratized.

LOUIS F. POST.

Mr. Chairman, there are many students of land economics who advocate the reestablishment of the country-life commission. President Roosevelt by an Executive order established such a commission. His successor discontinued the services of the commission.

President Wilson, through the Agricultural Department, is giving some attention to rural organization. Dr. Carver, the expert of this branch of the work, is a firm believer in the necessity for a thorough investigation of all conditions pertaining to farm-land location and improvement.

He believes in getting at the conditions of land sales, land taxation, and the cooperative possibilities tending to mutual benefits, for all these details have to do with a farm credits system, which is now being considered by the department.

In consideration of this question with leading men in Congress it has generally been expressed that it was high time for the Government to investigate the methods employed by land speculators.

The rural-organization experts complain that land values, especially undeveloped land values, upon which to establish a farm-loan basis is made difficult by reason of the operations of the speculator and monopolist.

I believe the proper way and the most feasible is to extend the operations of the rural-organization branch of the department to do the work suggested in Mr. Siegfried's communication above quoted.

His position that reckless speculation in "mother earth" should be brought to an end is timely. The Government should act.

Mr. Chairman, I shall emphasize the necessity for an appropriation sufficient in amount to cover special work by the rural-organization branch in the next Agricultural appropriation bill, with a further provision that the department be instructed to procure all information regarding methods employed to inflate the selling prices of undeveloped lands.

A sufficient appropriation should be made by Congress to do this work. Inflated land prices drive men to the cities. "Idle land makes idle men."

Mr. GOOD. Mr. Chairman, this amendment presents a very interesting question. I am not in favor of the amendment of the gentleman from Illinois [Mr. FOWLER], because I believe that franchises of this kind should be perpetual in so far as the period of time is concerned. The rule of law is not different in respect to a water-power project from what it is in respect to gas companies and water companies or electric companies that occupy the streets of our cities. The Supreme Court of the United States has frequently held that when a franchise is given to a company to occupy the streets of a city for the purpose of laying gas pipes, water mains, or erecting electric-light poles to furnish a public utility the company so engaged in that enterprise is entitled to a rate that will not only pay a fair return upon the capital invested, make the repairs, and provide for the depreciation, but that will be sufficient at the end of the period for which the franchise has been given to turn back to the company its capital unimpaired.

What is the question here? The gentleman's amendment, if it means anything, would give to those men that will put their money in water-power propositions their money back at the end of 30 years, in addition to the annual interest thereon. The investment ought to be one that will continue for a great many years. The plant should be operated under regulations and rules, in this case, that will permit the Secretary of the Interior or a public-utilities commission of a State to regulate the price to be charged for power. I do not care what company or what individual may be granted the privilege and you do not care what company or what individual may own the water power any more than you care what company owns the gas pipes or the electric lines in your city. What you are interested in and what the people are interested in is a low rate, and in order to get a low rate for the commodity furnished you must give a long period of time, with proper regulations and with a right in the Government to purchase in the meantime.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. GOOD. I yield for a question.

Mr. FOWLER. Why not, then, make it indefinite?

Mr. GOOD. That is what I am arguing for, with the right to regulate the price, because I am not in favor of paying the man who puts his money into the plant a fair return upon his property and then every 30 years pay him back what his investment amounted to, and that is what the gentleman's amendment means.

Mr. FOWLER. The gentleman will deprive the people of the right of recovery entirely?

Mr. GOOD. Not at all. I would give the people a greater protection than the gentleman's amendment gives them. I would give them a lower rate, with the right of the Government to buy the property on reasonable terms and conditions.

Mr. FOWLER. When?

Mr. GOOD. At any time.

Mr. FOWLER. That is all right if it is provided that it may be done at any time.

Mr. GOOD. But the gentleman's proposition fixes a time when a person must have his investment back, and in order that he may get his investment back at frequent intervals the patrons must pay an increased rate. If the gentleman will look at the decisions, he will find that every decision of the Supreme Court has been to the point that the rate must be high enough to yield enough money so that at the end of the franchise the company shall not only have paid a return upon the investment, but shall have enough money out of the rate so fixed to return the original investment in cash.

Mr. FOWLER. Then why does not the gentleman offer an amendment to that effect? The bill does not provide for reclaiming the property at any time.

Mr. GOOD. This is not my bill, and I am amazed at the chairman of the committee, who says that the House is foreclosed from ever taking such action. Think of his claim that this great House of Representatives, claiming to be progressive, can not take an action that is right because it has already taken an action that is wrong. This, too, in connection with a bill that everybody knows will never become a law. I believe that if some one had offered a motion to strike out all after the enacting clause in the Adamson bill at the proper time the gentleman in charge of the bill, the chairman of the Committee on Interstate and Foreign Commerce, would not have resisted it.

Mr. FERRIS. Oh, the gentleman is speaking facetiously, and surely does not mean anything he says.

Mr. GOOD. I mean that it is a very peculiar argument when the gentleman says that the House is foreclosed against ever taking action in respect to a perpetual franchise in matters of this kind simply because in the Adamson bill it fixed the franchise period at 50 years. That is not only laughable, but it is ridiculous. That is standpatism run mad.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RAKER. Mr. Chairman, some years ago—February 15, 1901—the House passed an act which gave the department the right to grant rights of way for pipe lines, telephones, electrical purposes, reservoirs, etc. Now, at that time the House thought it was extending conditions a long way, and it gave in that bill the same power as in this, so far as handling the public domain is concerned, and the question of tenure was fixed at the will and pleasure of the Secretary of the Interior. After men had gone out and expended their money, had expended hundreds of thousands of dollars, and even running into the millions, when they were then in a position to do a legitimate business, their revocable permit was ended, their right was determined, and they could proceed no further; and, practically speaking, the development of water power in the Western States has been at a standstill for the last six or seven years. There has been a clamor in this country for development. The people had the money and the people wanted to develop it. They recognized and realized that a few had obtained the right by purchase of private lands and water rights and ditches, some from the public domain, and had obtained an absolute monopoly upon the power situation; and my distinguished friend from Illinois, who talks about monopoly, evidently has not seen the condition of the West. Evidently he does not know the situation in the West. For the last eight years we have been doing but little development. We have been in the grasp and the control of a few interests, and the act of 1901 continued to give them that grasp; and this bill is for the purpose of relieving the situation so that the people may have a chance to develop this great industry—have a chance to develop that great country—and that the money not only of this country but of the world may go to the western country, where they can develop and receive a fair rate of interest and obtain a safe investment.

I know my friend from Illinois, judging what is in his mind from what he speaks, is not in favor of continuing this undevelopment. The very purpose of giving this time of 50 years is so that these men can expend their money to the end that they may charge a reasonable amount for the power that they furnish. We place restrictions on them. If we add to their rates and charge them large sums for it, then the consumer will have to pay for it in the end. This is not what we want. The consumer that my friend spoke about is always the man to go down in his pocket and pay it. Notwithstanding all the talk you may make, every engineer, every man who understood this subject who appeared before the committee, stated that in the long run the consumer will be compelled to pay, and therefore this bill ought to be made 50 years at least, so that this property may be properly developed, so that the consumer will not be absolutely robbed in the meantime, because he wants a little power. We have absolute control. This Congress can control these grants and make regulations when you make a grant like a private individual can. In addition to that, in addition to the rules and regulations specified by Congress under the provisions of the grant, the public-service corporations of each State can control them and make them sell their property, not only sell to all who may ask but make them sell at a reasonable and fair value to the consumer at all times; provided they get a fair rate of interest upon the money invested. What more do you want? The history of this country has been against leasing, has been against entailing, has been in favor of title in fee

simple from the Government. If these leases were indeterminate, if this property were sold outright and fee given, they have full control in regard to its service, in regard to all supplies, and what has made this country one of the greatest under the sun is to give each man, each institution, a fee simple title, in what he deals with, but at the same time keeping the control over the charges that he may make when he furnishes it to the public and when it is a public service——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Illinois and further to crave the indulgence of the committee for just a moment to call attention to the fact that this is a great and glorious day in our history as a people. This day, if all has gone well, down yonder on the Isthmus the good ship *Ancon*, newly painted, flag bedecked, with a delegation of representatives of the Republic of Panama and of the courageous men who have planned and completed the canal for us, is steaming from the waters of the Atlantic through the giant locks of Gatun out onto the great inland lake, over it and through the great cut of Culebra, through the locks of Pedro Miguel, and down to the Miraflores Lake, and just about this good hour [applause], just about now, it ought to be locking through the Miraflores Lock down the watery stairs to the calm waters of the Pacific. [Applause.] It is the modest but impressive unofficial opening to commerce of the greatest engineering work of all times. Thank God, it was undertaken by our people, carried through in less time than anticipated, more cheaply than we could have reasonably expected, without unnecessary loss of life, without a breath of scandal, it stands a monument of all the ages to the ability, the courage, the honesty, and the endurance of a great people and their honored representatives who have performed this great work. [Loud applause.]

Mr. CULLOP. Mr. Chairman, I would certainly vote for the amendment of the gentleman from Illinois, because I believe that a 50-year franchise in all works to be constructed under this bill would be too long, and I would vote to support his amendment if it were not for the language in the bill which provides for a period not longer than 50 years. Now, the gentlemen who are advocating the shorter period are contending that the grant, as I construe their arguments, must be for a period of 50 years. In this position they are mistaken, because he can make the grant for any period not to exceed 50 years. This meets their objection in this matter. The administration of this measure is lodged in the Secretary of the Interior, and the whole of it is dependent upon his good judgment. There are many of these plants that will entail a vast amount of expenditure for which the 50-year franchise would not be too long. There are many others for which I think 25 years or even 20 years would be amply long. But if the Secretary of the Interior is constructed upon the right plan and wants to protect the people of the country against the invasion of water-power monopolies, that power is lodged in him in the language of this bill.

And the administration of this law, whether it be good or bad, necessarily because of the law itself, depends upon the conduct and the judgment of the Secretary of the Interior. If he is constructed right and wants to do the right thing by the American people, by this great Government, he can make this an instrument of wonderful power and of wonderful benefit to the American people; but if he is inclined to favor monopoly, combines, and trusts, he can work a wonderful injury to the American people.

Now, I do not agree with these gentleman who say you must give a 50-year franchise in order to get capital. I know men interested in water power are making such assertions as that here. But gentlemen must not forget that they are not talking for the interests of this country, but are talking for their own interest and their own profit. It is a notorious fact that the franchises under the statutes of many States for cities, granting franchises for waterworks, for gas mains, for electric lights, and for all public utilities, can not be granted for a longer period than 20 years, notably, in Indiana, and perhaps a number of other States; and there is not a city in that State, or any other State having such a law, that has ever had to put an advertisement in any newspaper in this country to get capital to come to construct an electric light, waterworks, or any other public utility. They will invest their money in a city franchise involving in many instances quite as large an expenditure as is required to construct a water power or develop the properties. There will be no trouble to get capital, I assert, to make investments in these water powers, which will be vastly more profitable than public utilities in the cities. So the talk that capital will not invest in these properties amounts to nothing when you sift it out on this proposition. There will be no trouble, I predict, in that respect. And the men who have been making that argument around the committees and around the corridors of this House are not talking for the interests of the American people or the Government of the United States, but they are talking for their individual interests, to enhance their private investments or investments they propose to make.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CLINE. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Illinois [Mr. FOWLER]. I am not intimidated, Mr. Chairman, into voting for it because of the statement that we are liable to be involved in socialism if I do not. I believe that the democracy of this Republic after a hundred years of experience, after it has found that the liberties of the people are preserved by an obedience to law, will not turn away after that experience to the vagaries and theories advanced by Socialists. I am as much opposed to socialism as I am to communism, to nihilism, or to anarchy. They are children all born of the same mother, and all related except in a little different degree.

I am surprised, Mr. Chairman, to hear the chairman of this committee assert that the water-power monopolies are to be controlled by giving a 50-year franchise. That is not the remedy. You can not take the power to control water franchises away from these water-power companies by limiting the franchise. The only method to control water-power companies is to control them by limitations written in this bill and statutes to be enforced as to their power to inflict injuries upon the people. What is the difference between 25 years and 50 years? No man who has advocated 25, or 30, or 50 years, as a remedy for monopolistic oppression has pointed out how that number of years is going to effect the purpose.

If this Congress is wise it will write into the statute such limitations and put the execution of the statute into such hands as will absolutely control the operation of the parties having the right to develop hydroelectricity, and that is the only method by which and through which it can be done.

Gentlemen talk about preserving the rights of the people. The rights of the people will be preserved when we limit the operation of these companies through the statutes that we write, and in no other way. I am for this bill, Mr. Chairman, because I believe this settles one question—a question of control, and puts that control in the Federal Government—although I believe this bill has more holes in it than there are in a skimmer when it comes to its practical application, because there is no express and definite limitation written in the text. Yet I believe it to be in the interest of the people, because it initiates a beginning of development that future legislation may safeguard. In my opinion, there has not been a bill introduced in this House in the five years I have been here that so opens the door to monopolistic control as this bill does, and does it in favor of the water powers. Why? Because those restrictions that ought to be put in this bill in order to protect the people are absent. That is the reason. And gentlemen say we will preserve the rights of the States. Why, my friend, it is as natural to tend toward centralization as it is for democracy to exist, and we shall continue to do that in this empire of republics as long as the Republic shall stand. When great interstate problems arise in our rapid economic development that involve people beyond the confines of a State, then the Federal Government must be supreme. And the only recourse we have is to hedge about our legislation with such power of limitation as shall protect the interests of the people.

No man has pointed out here why a limitation should be written in this bill, and yet I understand why a limitation is put in. There is a fever of excitement in this country against indeterminate franchises. There is a bill here for the diversion of the waters of Niagara River, and we put a determinate franchise in it not for any well-founded reason, but to meet the spirit of the times on the subject. Every time you limit the operation of a franchise you at the same time load upon the consumer a price for the product that he must pay. That is the truth about the matter. Let us take an illustration from the Niagara Falls proposition, the greatest development of water power probably there is in the United States to-day. Two companies, operating on this side of the Niagara River, have an investment of over $40,000,000 in those two plants alone. Is it to be supposed by men of sound judgment that if those companies were limited to 30 years that you could go into the market and get $30,000,000 to invest in a plant of that character? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, on principle I have always been in favor of the indeterminate franchise, properly guarded, as

a regulation. However, I have observed that as a rule in the cities where the franchise for street car lines is limited to 20 years, as is the case in many cities, they work it out very well and do not attempt to collect during the period of the franchise a profit to remunerate themselves entirely for the principal, nor do I think that would be the case here. But the House the other day, when the Adamson dam bill was up, gave more consideration to the question of the length of the franchise than it did to any other proposition that was before the committee. The Adamson dam bill provided in section 9 for a 50-year franchise which should continue until compensation had been made to the grantee for the fair value of its property as provided in the bill, so that it made it a 50-year franchise, and at the end of that time an indeterminate franchise.

An amendment was offered by the gentleman from New Hampshire [Mr. STEVENS] to strike that section out of the bill and to insert a section which made a clear 50-year franchise. That was discussed at length. A vote was had on it in the House late in the afternoon. A point of no quorum was made, and when the House went into committee again I made a point of no quorum, so that the House would be fairly well filled in the committee, and a vote was had upon it by tellers. The amendment, making it a straight 50-year franchise, prevailed. I did not vote for the amendment. I voted against it. I thought it was worse than the provision in the bill. But the House having taken its position on this question in the Adamson bill, regulating the construction of dams over navigable waters, it would be made to look very silly if to-day, on another bill regulating dams over other waters, it should reverse its position and take any other position on a matter of that sort. Hence I am in favor of the provision in the bill for a 50-year franchise, recognizing, as I do, that in any event, whatever the length of the franchise is, the right of regulation during the period is preserved, and the value of the property at the end of the period is preserved to the owners of the property.

Mr. FERRIS. Mr. Chairman, I wish to consume only a moment, and then I shall ask for a vote.

The gentleman from Indiana [Mr. CLINE] was of the opinion that this bill had no features of regulation in it. I want to call his attention to the fact that we are considering only the first section of the bill at the present moment, and that all through the bill, first and last, and almost in every section, there is an absolute power of regulation. In other words, the Secretary of the Interior has the right to incorporate in the lease or in the contract, which is the very vital part of this whole transaction, such conditions, such safeguards, such provisions as will protect the public interest, so that the gentleman treats the committee without fairness when he says the bill is totally without regulation. Again——

Mr. CLINE. I did not want to cast any reflection on the committee, and did not do so. I did not say that. I said the bill did not have such regulations as I thought ought to be in the bill.

Mr. FERRIS. Then I misunderstood the gentleman. I gladly stand corrected.

Other gentlemen have made statements to the effect that the bill could be driven through with a team and six, and so forth. I shall not take any offense at that; I feel sure such statements can not be borne out. In any event the bill is open for amendments and any oversight of the committee will be corrected by the House. I do not want the House even momentarily to think that this bill is the product of my own handiwork. I hope no one has at any time been misled about that. This bill was framed after an extended conference with engineers from over the United States, after conferences with leading Senators, after conferences with Members of the House, and later after conferences with officials of the Geological Survey, the Interior Department, the Agriculture Department, and so forth; so that it is not a jumped-up affair, it is not a bill that has been without careful consideration. It is, on the contrary, a bill which has been very carefully prepared, however much it may be slandered on the floor of this House. It is easy for men who have given no consideration whatever to water-power legislation to jump up here and say, "This is merely waste paper." But a close analysis of the bill, a close analysis of its effect, and an analysis of the consideration which it has had will not bear up any such assault as that. On the contrary, this bill is open to such amendments as the committee desires to offer. It is subject, of course, to amendments from the Republican Party and from the Progressive Party and from the Democratic Party that will help the bill.

I call attention to the fact that the Republican Party and the Progressive and the Democratic Parties all helped to make this bill. The conferences that brought it into existence were all nonpartisan. The members of the committee acted in unison and accord. All the great political parties are pledged in their platforms to something along this line, and this House ought to do something. I am glad to see some of the Republican Members helping; I am glad to see the Democratic Members helping; and I am glad to see the Progressive Members helping. And I am proud of the present Secretary of the Interior for his attitude on this subject, because he took the lead in this matter and has blazed the way; and I am glad to see him taking hold of the plow where ex-Secretary Fisher left it, and doing work in keeping with the work of the preceding Secretary and in keeping with those people in this country who have given most thought to this matter.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FOWLER. Mr. Chairman, I ask for a rereading of the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] asks that the amendment be again reported. Is there objection?

There was no objection.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. FOWLER. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 5, noes 39.

So the amendment was rejected.

Mr. CURRY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California [Mr. CURRY].

The Clerk read as follows:

Page 2, line 17, after the word "Interior," strike out the words "may, in his discretion."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. CULLOP. Mr. Chairman, may we have the amendment reported again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read.

Mr. CURRY. The word "shall" should be inserted.

The Clerk read as follows:

And insert in lieu thereof the word "shall."

Mr. CURRY. Mr. Chairman——

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the end of five minutes. We debated this matter thoroughly on the first day on the question of making it mandatory.

Mr. CURRY. I had another amendment there that I wanted to offer.

Mr. FERRIS. This does not preclude the offering of that amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent to close debate on this amendment in five minutes. Is there objection?

Mr. RAKER. Reserving the right to object, I do not want to take time; but I did not offer any amendment on this. This is a different proposition.

Mr. FERRIS. The gentleman offered it on the first day, to make it mandatory.

The CHAIRMAN. Debate is not in order. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. CURRY] is recognized for five minutes.

Mr. CURRY. Mr. Chairman, it seems to me that the Secretary of the Interior should be required to give preference to the application of a sovereign State or any of its political subdivisions for the lease of a national resource within the boundaries of the State. This amendment makes it mandatory that the Secretary of the Interior shall give the preference to the filings and applications of States, counties, and municipalities. Under the bill as it now reads it is within the discretion of the Secretary of the Interior. It seems to me that that discretion ought not to be vested in the Secretary of the Interior, but that the provision should be mandatory that he should be required to give preference to the applications of States, counties, and municipalities. I do not care to take up the time of the committee; but I will state that a number of years ago the city of San Francisco made up its mind that it wanted to get the water and power from the Hetch Hetchy Valley. It took years to get the bill through this House. The city of San Francisco had one or two permits from the Secretary of the Interior. In the mean-

time some people in California, recognizing the fact that in time San Francisco would require and acquire the power and the water from the Hetch Hetchy Valley, filed on water and power sites necessary to the project, simply to stand up the city of San Francisco; and they did stand up the city of San Francisco, which had to pay those speculators $1,000,000 for their equity before it could use the water and power sites, the right of way to which was given to them by the Congress of the United States. This amendment of mine rectifies and makes impossible such a condition of affairs as that occurring in the future, and I think it ought to be adopted. And then, again, the filing of the people on a site for public use ought to be given preference over the filing of an individual or a private corporation.

The CHAIRMAN. The question is on the amendment of the gentleman from California [Mr. CURRY].

The question being taken, Mr. CURRY demanded a division.

The committee divided; and there were—ayes 13, noes 30.

Accordingly the amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to strike out the word "required," on page 2, line 22, and to insert in lieu thereof the word "desired."

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 2, line 22, strike out the word "required" and insert the word "desired."

Mr. MILLER. Mr. Chairman, this is in that part of the paragraph which provides that a prospective lessee may enter upon the public lands for the purpose of making suitable investigations. Now, the language of the bill is—

For the purpose of enabling an applicant for a lease to secure the data required in connection therewith.

I should like to ask some member of the committee just what is meant by the word "required"? Is it to ascertain some things required by this bill, or is it to ascertain some facts that may be valuable to the man or corporation upon which to determine the feasibility of the project?

Mr. TAYLOR of Colorado. The chairman of the committee [Mr. FERRIS] is out of the Hall temporarily. My recollection of the hearings and the investigation is that before the Secretary will give these permits he will require considerable data; he will want to know all the facts about the project; and we decided that the word "required" was more apt and appropriate under the circumstances than the word "desired" would be.

Mr. MILLER. Does not the gentleman think the word "desired" would be more suitable than the word "required," if it is the object to give to the lessee or the licensee the opportunity to acquire the information he wants?

Mr. TAYLOR of Colorado. I do not think it is of very great importance which word we use; but we thought "required" was nearer the intent. The meaning of the word "desired" might depend on who desired it.

Mr. MILLER. It makes this difference: The rights of the man or the corporation are to be determined by the law. If the law says he can go upon the land for one purpose, he surely can not go upon the land for another purpose.

Mr. TAYLOR of Colorado. It is a little more than the law here. The Secretary of the Interior has a right to and will adopt regulations which people will have to comply with, and his regulations will call for certain data that will be required by him, as well as by the law, and we thought that was the proper and appropriate expression. I see no reason to change that word.

Mr. MILLER. Now the gentleman has given me some information that I wanted at the outset. Is it the idea of the committee that the man or corporation, the licensee, can go upon the public lands to secure information that will enable him to answer certain things required by law, by the Government, or to enable him to get information that will be desirable on his part to determine whether or not he wants to take out the license or the lease?

Mr. TAYLOR of Colorado. He has got to obtain certain facts and data to show whether or not it is a feasible proposition, whether or not it is proper for the Government to grant and permit and tie up the site for a year pending somebody's application; and it would seem as though the Government, in order to prevent speculation and possible monopoly and bad faith, in order to prevent wildcatting and uselessly tying up of sites for a year, or probably a number of years in succession, must necessarily, in order to enable the Secretary to carry out the law in good faith, require certain definite investigation, probably rating and measurement of streams, topographical and other surveys, and maps and other things; in other words, to show the man's good faith, and that it is a feasible and practicable proposition, and that the applicant has or can acquire sufficient rights and suitable property to warrant the undertaking.

Mr. MILLER. In the balance of my time I thank the gentleman for his very courteous reply.

Mr. MONDELL. I desire to suggest that what is desired, as I understand it, is to give an applicant the opportunity to secure the information that it is necessary for him to have. Would it not be better to amend the provision so that it would read:

For the purpose of enabling the applicant for a lease to secure data in connection therewith.

Mr. MILLER. I think that would be the exact meaning or practically the exact meaning of the language, if it was amended as I suggested. One or the other ought to be adopted, and if the motion I make to strike out and insert is voted down, the suggestion of the gentleman ought to be adopted.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. I am pleased to yield for a question.

Mr. RAKER. The very purpose of the bill would be defeated if the amendment suggested by the gentleman from Wyoming [Mr. MONDELL] were adopted, and that of the gentleman from Minnesota, as well.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. FERRIS. Mr. Chairman, reserving the right to object, I ask unanimous consent to close debate in 10 minutes, 5 minutes to go to the gentleman from Minnesota and 5 minutes to the gentleman from New Mexico [Mr. FERGUSSON].

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate in 10 minutes. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, let me modify that request and make it close debate on this amendment and all amendments to the section.

Mr. STAFFORD. Oh, I would object to that.

The CHAIRMAN. The request has been put and granted. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER. Mr. Chairman, I would like to make an inquiry of some member of the committee. As I understand, the opening part of this paragraph, wherein the language gives to the Secretary authority, was debated at length. That is, it was contended by the committee that the language here employed gives to the Secretary discretionary power, and, as I understood the chairman of the Committee on the Public Lands, he said that in his opinion it was wise that the Secretary should be in a position, if there were two applicants, John and Pete, and he thought Pete was better than John to deny John's application and to accept Pete's. If that is true, in what respect is his power enlarged or changed by the proviso, the language contained in lines 16, 17, 18, 19, and the first half of line 20? If he can give preference in his discretion to one corporation over another corporation, to one individual over another individual, why has he not, then, full power to give preference to a municipality as against a private corporation or as against a private individual? Is there any enlargement of his authority contained in there that is not apparent from reading the paragraph?

Mr. FERRIS. I understand the gentleman's amendment is to strike out the word "required" and insert the word "desired."

Mr. MILLER. I had departed from discussing that amendment and was making another inquiry.

Mr. FERRIS. Is the gentleman objecting to the granting of the discretion to the Secretary?

Mr. MILLER. I am not objecting to anything. I am an humble applicant for information.

Mr. FERRIS. Just what is it the gentleman desires to know?

Mr. MILLER. I was inquiring in what respect the authority or discretion of the Secretary of the Interior is enlarged by lines 16, 17, 18, 19, and 20—if under the language of the earlier part of the paragraph he can select one from two or more applicants and give him preference?

Mr. FERRIS. Mr. Chairman, I think the proviso deals with another matter, if the gentleman will read it.

Mr. MILLER. Oh, I have read it twenty times.

Mr. FERRIS. The original paragraph deals with leasing of the property, and the proviso that the gentleman is now speaking to deals with the issuance of the permit. It was our thought that he ought to have discretion.

Mr. MILLER. I beg the gentleman's pardon, but my interrogation is in reference to the language preceding the permit portion of the paragraph.

Mr. FERRIS. I was replying to that as well. It was our thought that he should have discretion both as to the granting of the lease and the granting of the permit.

Mr. MILLER. So that, as a matter of fact, it is redundant.

Mr. FERRIS. We wanted to make it plain; I do not think it is repetition.

Mr. MILLER. I would like now to ask the gentleman from California [Mr. RAKER], if I have any time left, to repeat the query that he made when my time previously expired.

Mr. RAKER. Mr. Chairman, in the provision that the gentleman moved to strike out, referring to the word "required," that is a Government function—that the Government requires of the applicant—and the gentleman's amendment would simply permit the man to furnish such data on the ground that he might desire for his own use and not for the Government's use; and if the amendment suggested by the gentleman from Wyoming were adopted, to secure such data, that might not give the department any information. He might secure certain data and then say, "That is all I want."

Mr. MILLER. What information does the department require of a prospective lessee?

Mr. RAKER. The department wants all of the information that it is possible to get.

Mr. MILLER. I thought that it possessed all possible information.

Mr. RAKER. Oh, no; they are not all wise. They need a good deal of information.

Mr. MILLER. Do I understand that the department does not intend to act upon the information that it secures through its agents, but upon the information secured by the prospective lessee?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. FERGUSSON. Mr. Chairman, more to answer the gentleman's inquiry than to make any statement, I want to say that the word "desired" obviously is used from the standpoint of the applicant alone—what he desires to get from the Secretary. The word "required" refers to the Secretary's position. A man makes an application—"I desire this." "Well," the Secretary may say, "that is more than is 'required' for your purpose, fairly." Therefore, the word "required" is better, because it is a matter that both must agree upon, and it enables the Secretary to say, "You desire more than you need. We must check that. This is what is required for your purpose, and therefore we will grant you the request as to what is required for what you want to do."

Mr. MILLER. This is an application by a prospective lessee.

Mr. FERGUSSON. Precisely.

Mr. MILLER. To secure information. The information may be of two kinds—one kind that he will himself want to enable him to determine whether he wants to take the lease, and the other may be information required by the department. Surely the word "desired" comprehends information that the man would want or the corporation, and also information that the department might want, but the word "required" is vastly more restrictive. Now, just one word further—I appreciate I am using the gentleman's time.

Mr. FERGUSSON. The gentleman is welcome to it. I have already made the point I desired to make.

Mr. MILLER. I can not conceive of anything that a prospective lessee could want with a permit to go upon Government land in connection with a project other than to ascertain the amount of water, the rainfall in the basin, the amount of flowage of the stream, the accessibility in respect to building dams and getting highways in there, and possibility of the marketing of it, and so on, all reasonable public purposes in the case I present. Now, can the gentleman explain in what way some prospective lessee might want to go on the land and get information that the Secretary would not want him to get?

Mr. FERGUSSON. Not at all.

Mr. MILLER. Then, why is not the word "desired" much preferable?

Mr. FERGUSSON. If the word "required" is used, it still leaves him the right to go and get all the information he might want that he could not get otherwise than from the experts of the Secretary, who is presumed, through his experts, to know the capacity, possibility, and all the features of all of these prospects. Now, the word "desired," it seems to me, gives too much power to the applicant and leaves too little to the discretion of the Secretary, while the word "required" covers the whole business. He can get all the information he wants, but he must content himself with what the Secretary finally determines is required in closing up the lease, if he is to get one.

Mr. MILLER. The only difference, it seems to me, between the position of the gentleman from New Mexico and myself is what this word "desired" does or can do. I think the word "desired" does and can do, and what the word "desired" can not do I think the word "required" can not do.

Mr. FERGUSSON. The gentleman is welcome to his opinion.

The CHAIRMAN. The time of the gentleman has expired. The question is upon the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. KAHN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the conference report on the ship-registry bill.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the conference report on the ship-registry bill. Is there objection? [After a pause.] The Chair hears none.

Mr. CULLOP. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I do that for the purpose of asking the chairman of the committee for an explanation of one feature of this bill. On page 2 occurs the phrase, "which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms." Now, I will ask the chairman of the committee if there is any provision other than this breach of any terms of the leases in this bill for which a lease may be revoked?

Mr. FERRIS. Mr. Chairman, the bill is so broad in its scope and the Secretary is given such unbounded authority to work out rules and regulations, which are incorporated in the leasing contract, which is really the most effective place to incorporate the regulations, prohibitions, restraints, and safeguards because in that event not only the Government is bound but the applicant is bound. He can then make the rules, regulations, safeguards, and so forth, that will protect the public. The exact authority so to do is provided for in one of the later sections. For instance, let me read on page 10, section 13:

SEC. 13. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

Another section provides the Secretary may incorporate into the lease every regulation that the department, its engineers, and all agree may be desirable in the public interest. Furthermore there is a forfeiture clause in the event of a failure to comply with the terms of the act.

Mr. CULLOP. Now, that is getting back simply to this section. That is the section which says the leases may be declared null and void upon breach of any of their terms. Now, does not the gentleman think as a wise provision here that the phrase "which lease shall be irrevocable except as herein provided," ought to be eliminated from this measure?

Mr. FERRIS. Oh, surely not; because every authority who came before us, and Secretary Fisher was very pronounced in his opinion, and I must read the gentleman what he says; he contended that it would be subject to the same objection as the present revocable permit law which has been the stumbling block to all of them. Let me read you what Secretary Fisher says on page 12 of the hearings just had:

Now, the revocable feature in a permit not only works to the disadvantage of the promotor and developer and investor, but it will also work to the disadvantage of the public. It is perfectly clear that the public ought not and can not, if the permit is revocable, exact such terms and conditions as it otherwise could and should from a man. In many cases we may have a theoretical right to do a thing we do not exercise. If this provision is in the bill you can not expect the permittee, under those circumstances, to make the same sort of a contract with you that he otherwise would. In my opinion it will work out far worse for the public than it will for the water-power man, because the water-power man knows that, as a matter of fact, his permit is not likely to be revoked.

That is on the identical clause to which the gentleman referred.

Mr. CULLOP. I would like to call the gentleman's attention to this feature: Who can bring the suit to revoke the lease—the Secretary of the Interior?

Mr. FERRIS. A citizen.

Mr. CULLOP. A citizen can not act under this and bring a suit; he is not a party to this lease. There is where the trouble comes in reference to this provision. You are lodging in the Secretary of the Interior enormous discretionary power by this bill. If the Secretary of the Interior is all right in protecting the public interests, in protecting the interests of the Government, then it is all right; but if he is not right in protecting the country and the public and the interest of the people, then what is the condition? It is all wrong. In the last analysis it all depends on what kind of a man the Secretary

of the Interior is; upon him the whole thing depends for success or failure, for weal or woe. With him is lodged great authority for the administration of this measure.

No private citizen can come in and bring a suit to cancel one of these leases, no matter how extraordinary the proposition may be. He will have no standing in court; he is not known to the transaction, not a party to the contract, and hence could not be heard, however much he might desire and however anxious and willing he might be to protect the public and enhance the public interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. Mr. Chairman, I offer an amendment. I move to amend by adding the words "of the Interior" after the word "Secretary," in line 1, page 3.

Mr. FERRIS. I think that ought to be agreed to, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 3, after the word "Secretary," in line 2, add the words "of the Interior."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words. My purpose in making that motion is to inquire whether it is proposed to grant unlimited time for the renewals of these permits under the phraseology of this section. You limit the preliminary permit to one year in duration, and then provide that it may, however, upon application, be extended by the Secretary without any limitation whatsoever as to its length. I hardly think the committee intended to have the extension after the expiration of the first year unlimited in extent.

Mr. FERRIS. The gentleman has stated the facts as they are and drawn the correct inference from the language. As I said earlier in the afternoon, it developed in the hearings that in some instances the surveys and the preliminary steps to be taken in these water-power concerns aggregated over a million dollars. In fact, several engineers called our attention to several projects that had exceeded that.

Mr. STAFFORD. I heard the chairman's statement as to that several times.

Mr. FERRIS. If a man in good faith held a temporary permit and had proceeded as best he could for 11 or 12 months, and had his proposition 95 per cent closed, we thought the Secretary ought to have a little latitude.

Mr. STAFFORD. You are granting the Secretary not only limited latitude, but unlimited latitude, because there is no limit of time on the extension. He might abuse his authority by tying up all the water powers indefinitely, and we would not be able to stop it. Why should we not limit that extension at least a year, so that other persons who might wish to develop the water power might be given the opportunity in case the first applicant would not be willing to proceed. The Secretary of the Interior might use this as a cloak to keep the water power from being developed.

Mr. FERRIS. If the gentleman wanted to offer an amendment to that effect I do not think any member of the committee would seriously object to it.

Mr. STAFFORD. I wanted to get the chairman's opinion in regard to it. I have an amendment here.

Mr. FERRIS. The gentleman understands that there may be some water powers in Alaska that may or may not be needed soon, but in the event they were needed the climatic conditions, railroad facilities, and the frozen condition of the country at certain periods of the year might make it a hardship to live up to this proposition if you put in a hard-and-fast rule——

Mr. STAFFORD. Within two years any promoting concern that has bona fide capital back of it will know whether or not it is going to be a going concern and will be able to have their plans consummated so that it will be a working affair, but without any limitation you give unlimited discretion to perpetuate the temporary permit for 10 or 15 years.

I ask unanimous consent, Mr. Chairman, to withdraw the pro forma amendment and offer the following amendment instead.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

Mr. STAFFORD. I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 2, after the word "extended," insert "for another period of not exceeding one year."

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to limit the debate on this amendment to 25 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to limit the debate on this amendment and all amendments thereto to 25 minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I do not believe that we should give to the Secretary of the Interior unlimited authority so that he can grant temporary permits in perpetuity.

Mr. RAKER. Will the gentleman yield?

Mr. STAFFORD. For a question.

Mr. RAKER. Is it not a fact that in lines 2, 3, 4, and 5 it fixes the limitations themselves?

Mr. STAFFORD. That is the very reason I wish to have some limitation on this authority, so that it can not be abused. You are proceeding under the idea that the Secretary of the Interior will pass upon all these provisions, when we know that the matter will be in charge of subordinates. If we knew that the Secretary of the Interior would absolutely pass upon these—we know that that can not be the fact, as he is too busily occupied—it would be different. You authorize the Secretary of the Interior to grant a temporary permit so that promoters may be able to make a survey and examination and see whether it is practicable to develop the water power, and then, after the first permit, you allow him to go ahead and extend it ad libitum. No such power should be granted to any Secretary of the Interior, no matter how much we may believe he is looking after the public interest. There should be some limit on his discretion. Here you have no limit whatever. You allow the Secretary of the Interior to abuse the discretion vested in him. I can not see, if one year is not enough, why you do not agree to two years; but at least put some limit on his discretion. This bill is full of absolute authority that is going to be delegated to him. I believe there should be some more limitations put upon his authority, that Congress should show its position on these matters, and not leave it to the unlimited discretion of the Secretary of the Interior.

Mr. CULLOP rose.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. CULLOP. Mr. Chairman, I desire to oppose the amendment.

The gentleman from Wisconsin [Mr. STAFFORD] is right when he says that this lodges great power in the Secretary of the Interior; but if his amendment were adopted it would be the means in many instances of retarding water-power development instead of facilitating it. The gentleman must not forget that over many of these propositions there will be a great many contests. They will get into the courts. They will drag their weary way through the courts, and if the Secretary of the Interior could not extend the time more than one year many designing persons would defeat well-intending persons in procuring these leases and constructing these water powers. Instances of condemnation proceedings in the courts may be had and delays occasioned. All these things are probable.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Indiana yield to the gentleman from Wisconsin?

Mr. CULLOP. Yes.

Mr. STAFFORD. Following out the logic of the gentleman's statement, the 20-year limit that he advocates would all be taken up in litigation.

Mr. CULLOP. Oh, no; it would not. The gentleman is badly mistaken. It would not be taken up in litigation. Laws of that kind have been in practical operation in some States, and they have secured the very best of results.

The trouble about some gentlemen who are opposing those laws is because they strike down monopoly, and they seem unwilling to have that done. But if only one year's extension should be granted, some person who wanted to defeat the project could bring a suit in court, and before it would work its weary way through the court of last resort the time would expire and the project would fail for that reason.

One year's extension may not be sufficient. I do not think that the gentleman would contend that any Secretary of the Interior under any President that we have ever had or might have in this country would abuse the right in the manner in which some suggest; would abuse his powers to the detriment of the American people.

This is a most opportune time for the people of this great country. The unfortunate conditions to-day in Europe—the only competitor of this country in the commercial world—are such that they will bring greater stimulus and activity upon American production in the next year or two to come. These plants will begin to develop. Men will struggle to get posses-

sion of them. They will put impediments in the way of other men who are getting possession of them. They will retard the work and defeat the great purpose of this bill if such a limitation as the gentleman has proposed should be adopted here to-day. It is full of danger, and it is a stroke at the great benefits which this bill proposes to confer on the American people; and I hope the gentleman's amendment will be voted down. The conditions all over Europe, our great competitor in commerce, in manufacture, in all production, are such that her commerce, her mills, her factories, and her production are idle, and the men to operate them are in the field to do battle to save from dissolution the Government to which they owe allegiance, and her production must cease, yet her consumption, because of her condition, will increase. We, necessarily, will have the opportunity to supply their increased demands, and it will furnish us the greatest opportunity ever known to any country. We must be ready to meet the demand. It will give us the opportunity to capture the commerce of the world, and we should so manage the condition thrust upon us that we may retain it for years to come. We are able to cope with the condition, meet the requirements, and supply the demands. Let us do nothing in this or any other legislation we may enact which will embarrass us in taking advantage of the splendid opportunities cast upon us. However much we may deplore the unfortunate situation of Europe, we are not responsible for it in any manner, and must take care of the situation as best we can in our country. Our people are capable of exerting every effort to increase our production to meet the increased demands which will be made upon us. It is most essential that we do nothing which will retard the development of these great enterprises which are soon to play a most important part in our capacity of increasing production and meeting the great requirements which all know will be made.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 10, after the word "thereof," insert "who have acquired, under the laws of the State or Territory having jurisdiction over the same, the right to divert and use the waters intended to be utilized for the development of power."

The CHAIRMAN. The gentleman from Wyoming is recognized.

Mr. MONDELL. Mr. Chairman, this is an exceedingly important amendment. It goes to the very bottom of the larger questions involved, and I hope that I may have 10 minutes in which to discuss the matter. I ask unanimous consent that I may have 10 minutes.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. FERRIS. I ask unanimous consent, Mr. Chairman, to close debate at the end of 15 minutes on this amendment and all amendments thereto.

Mr. MILLER. Reserving the right to object, Mr. Chairman, may I inquire of the gentleman from Wyoming if he intends to discuss the constitutional features of the bill?

Mr. MONDELL. Partly, but not entirely.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] amends the request of the gentleman from Wyoming [Mr. MONDELL] by asking that the debate on the pending amendment and all amendments thereto be closed in 15 minutes, 10 of which shall be occupied by the gentleman from Wyoming. Is there objection?

Mr. DONOVAN. Mr. Chairman——

Mr. MILLER. Reserving the right to object, Mr. Chairman, I want to address myself to the constitutional features of this bill very briefly.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DONOVAN. Mr. Chairman, I want to submit the point that there is no quorum present.

The CHAIRMAN. The gentleman from Connecticut makes the point that there is no quorum present. The Chair will count.

Mr. DONOVAN. Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Connecticut withdraws the point of no quorum, and the gentleman from Wyoming [Mr. MONDELL] is recognized for 10 minutes.

Mr. MONDELL. Mr. Chairman, the amendment which I have offered would simply place in the bill the recognition of a condition that must be met before the Secretary can properly give anyone the right to develop an enterprise under this bill. There should be the widest opportunity to secure the right to develop these water powers, but we must remember that unless this bill as it becomes a law and as the courts construe it shall entirely overturn what we understand to be the relative jurisdiction of the States and of the National Government, no one can develop any one of these water powers who has not secured a water right from the State. There can be no question about that. Of course there may be gentlemen who believe that some day the courts will decide that that is not the law; but until such a decision is rendered, that is the situation. Those who shall secure the right to develop one of these water powers will be those who have the right from the State to divert the water for that particular purpose at that particular place. That is not only the law, but that is a wise and useful law. It does not tend to monopoly, because one securing that right to divert and appropriate must proceed to initiate and develop his enterprise, and must continue diligently; so it places the State right alongside of the Secretary of the Interior as an additional force to compel development.

If the bill is adopted in its present form there should be no question but what the Secretary will feel it necessary, as he considers it necessary under all of the present right-of-way acts, to make the possession of a water right a prerequisite to the granting of a lease. That is the practice to-day under the right-of-way acts. The law gives to the citizen a right of way, but the Secretary can not approve it until the citizen has secured the right from the State to divert the water. Therefore this amendment may not be necessary, but I think it ought to go into the bill in order to remove any doubt as to what is our intent in legislating. And it is all the more necessary by reason of this fact, a fact that has not been referred to in this five-minute debate so far, except briefly by the gentleman from Indiana. I referred to it in my speech under general debate. The great power the bill confers on the Secretary of the Interior. This bill is the absolute limit of federalism, centralization, and bureaucracy. Certainly never under this Government, and I doubt if anywhere under the sun, except in an absolute bureaucracy, has any one single official of a Government ever been given power and authority such as the Secretary of the Interior is given under this act. If in the days of Secretary Ballinger any committee had brought a bill like this on the floor of the House they would have been hooted and run out of the building. Why, we brought in here a leasing bill for leasing the coal lands in Alaska during those days, and the only discretion lodged in the Secretary was the discretion to decide between two applicants having practically the same claim or right. That bill was defeated because it lodged too much authority in the Secretary of the Interior. And now here is a bill, as the bill was reported, which practically said to the Secretary of the Interior, "We turn over to you all of the public lands of the United States that may ever be needed by anyone for the development of water power, to do as you please, to grant or withhold, to fix under whatever terms and conditions you see fit, to deny the right for any reason which seems good to you or for no reason at all, to grant to one man although another would be perfectly willing to pay more and agree to more advantageous terms."

The gentleman from Indiana asked the question a moment ago whether there were any conditions under which the Secretary could deny this right. He would have been more logical if he had asked whether there were any conditions under which the Secretary must grant a lease. There are none. No man or corporation, municipal or otherwise, under the flag can ever do anything or any number of things, or can place himself in any position of good faith or of ability to perform service which will compel the Secretary of the Interior to grant a right or lease. The Secretary can deny a man on account of the color of his hair or the way he spells his name, because of his political or religious faith or because he has none, or for any reason or for no reason at all; and that is what the gentleman calls regulating in the interest of the people. If this were Russia instead of the United States, I should not be specially surprised at this bill. I have great faith in the present Secretary of the Interior, but he will not be Secretary always, and, in any event, no one man should have the power this bill grants.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. I will yield to the gentleman from California.

Mr. RAKER. If this amendment is adopted, it will practically defeat any leasing of the land for the purposes of the bill, will it not?

Mr. MONDELL. It will not, and the gentleman knows it will not, because he knows perfectly well that whether this amendment is adopted or not, no man can legally proceed to the development of one of these water powers on the public lands in his State or in my State or in Colorado, unless he has this right from the State to divert the water. Knowing that, I can not understand why the gentleman propounds that interrogatory.

Mr. SELDOMRIDGE. Is not the adoption of your amendment, or language similar, absolutely necessary in order to protect purchasers of power from plants operating under leases?

Mr. MONDELL. Why, certainly; because, after all, the base and bottom of the entire enterprise is the right to use the water, and without that right fixed and secured the enterprise is valueless as an investment. Further, I am not arguing this simply because it is the situation and therefore we insist upon its recognition, but because it is wise that it is the situation. For that control of the water by the people of the State in the arid States of the West is what gives the foundation to the right of public control. Out there in that arid country there is no question about the right of the people to control the use of the water, to regulate how it shall be used, and when and where it shall be used.

Mr. SELDOMRIDGE. A further question: In the absence of language such as you have indicated and in case these power companies fail to secure those water rights, would not their rights be subordinate to water rights that might be secured afterwards by individuals?

Mr. MONDELL. Why, certainly; the gentleman is right.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Chairman, I shall consume only a minute. If the amendment be adopted it is doubtful if anyone would want ever to try to acquire rights in a State to develop water power. Certainly the House wants to do no such silly thing as that. Section 14, on page 10, contains a provision exactly identical with the one in the reclamation law with reference to the protection of State water rights and irrigation matters.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I can not yield. The gentleman has had time in which to discuss the matter. Section 14 we clipped verbatim from the reclamation act, so that there could be no infringement upon anyone having rights under the law, but surely no one would want to say that the scope of this bill shall be confined to those only who had water rights already acquired.

Mr. MONDELL. But my amendment has nothing to do with water rights already acquired.

Mr. FERRIS. I think I understand the amendment. I do not intend to misquote the gentleman's amendment, neither do I intend to misquote him, nor do I believe I do. The gentleman offers an amendment, and instead of talking to his amendment spends his time in railing against the bill. I fear the gentleman does not want this bill to pass. I fear the gentleman does not want anything like it to pass. I gather his desire is to let water power pass into private ownership and thereby escape Federal regulation. Many good men harbor that desire and believe that to be the proper method. But I am so certain the House does not want to do that, and I again feel sure Congress does not want to do that, and I can not think the country wants to do that, and the gentleman himself ought not to want to do that. To my mind water-power sites is one thing that we ought to hold on to, at least so far as the fee is concerned. The word "lease," when dealing with water power, does not scare me. It is the thing that ought to be done. It is the only thing that will be done, and we all should join hands in doing it right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. SMITH of Minnesota. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, line 25, after the word "development," strike out all of line 25 on page 2 and all of lines 1, 2, 3, 4, and that portion of line 5 ending with the word "permittee" on page 3.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at the end of five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. Mr. Chairman, I offer this amendment for the purpose of calling the attention of the committee to the effect of the language that is now in the bill. An amendment was offered a short time ago by the gentleman from Wisconsin limiting the time of the permit to go upon the premises for the purpose of getting data to an extension of one year, and that was voted down. The amendment which I offer, if adopted, will simply give the Secretary of the Interior the power to give such permit as he sees fit, and I submit in all candor that the language of the bill as it is written means just what my amendment would make it mean. If you adopt the amendment which I offer, it means that the Secretary may grant a permit to go upon the premises and secure data for such length of time as it pleases him to make. Under the bill the committee is considering, the Secretary of the Interior may grant a permit to go upon the premises, which permit shall be for one year. At the expiration of that year the Secretary of the Interior is permitted to extend that permit for such time as he sees fit. The amendment of the gentleman from Wisconsin ought to have been adopted, unless you want to give the Secretary of the Interior unlimited power. It has been stated and restated in this debate that the purpose of this bill, and its main purpose, is to break up a monopoly of the use, sale, and development of hydroelectric energy. What greater monopoly can you have than to place the hydroelectric development of this country in the hands of a single individual, without any restrictions whatsoever, the power not only to lease for a term of 50 years, upon such terms and conditions as that individual may care to exact, all of the great water powers on the public domain of this country, but to also regulate the services and charges to the consumer for the electric energy that may be developed from such water powers? No Government, to my knowledge, has ever vested such vast power in one man without at least the right to review his act by appeal or otherwise.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. HAYDEN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 13, after the word "forests," insert the words "the Grand Canyon and Mount Olympus National Monuments."

Mr. STAFFORD. Mr. Chairman, on that I reserve the point of order.

Mr. HAYDEN. Mr. Chairman, the House in its wisdom a short time ago struck out all reference to national monuments in this bill. I have consulted with the gentleman who made the motion by which this action was taken, and the amendment I now offer is agreeable to him. It makes this bill apply to the two largest national monuments that there are in the United States. There have been created by presidential proclamation 31 national monuments, aggregating about a million and a half acres in area. Twenty-eight of them include but 100,000 acres, whereas the Grand Canyon Monument contains over 800,000 acres and the Mount Olympus over 600,000 acres. I have no desire to disturb any of these smaller monuments created under the law, and properly so, but these two large monuments that do contain water-power sites ought to come under the provisions of this bill. There is no reason why they should not, and I have offered the amendment with that idea in mind.

Of the 31 national monuments that have been created, 8 are located in Arizona. Four of them are designed to protect from vandalism the remaining evidences of a prehistoric race that at one time occupied the area now included within my State. The Casa Grande ruin, in Pinal County, was discovered by Padre Kino, a Jesuit missionary, in 1694, and is the most important ruin of its type in the Southwest. Montezuma's Castle is a picturesque assemblage of cliff dwellings located on Beaver Creek, in Yavapai County. The Navajo National Monument is located on the Indian reservation of that name in northern Arizona, and consists of two extensive pueblo or cliff-dwelling ruins. The Tonto Monument is about 5 miles southeasterly from the Roosevelt Dam, and consists of cliff dwellings situated in the entrance of a large shallow cavern.

Ten acres have been set aside in the Santa Cruz Valley near Nogales, Ariz., on which is located a very ancient Spanish mission, called Tumacacori, now in partial ruin. I have endeavored to obtain an appropriation for the preservation of this historic edifice, but without success.

Three other tracts of land have been reserved as national monuments in Arizona under that part of the act for the preservation of American antiquities which provides for the creation of national monuments to preserve objects of scientific interest. The Papago Saguaro National Monument was established by presidential proclamation on January 31, 1914, and includes about 2,000 acres of land in the vicinity of the Hole-in-the-Rock, north of Tempe, in Maricopa County. The celebrated petrified forest of Arizona lies in the area between the Little Colorado River and the Rio Puerco, in Apache and Navajo Counties. This monument is readily accessible from Adamana,

on the Santa Fe Pacific Railroad. It includes over 25,000 acres of land, but, so far as I am aware, possesses no available water-power site. The same can be said of all of the other national monuments in Arizona which I have just mentioned.

The Grand Canyon National Monument vastly exceeds in area all of the other national monuments in the United States. In fact, this monument contains more than one-half of the area that has been withdrawn from entry under the authority of the act that I have just cited. This part of the canyon was originally included within the Grand Canyon Forest Reserve, and, as a matter of fact, a considerable portion of it is covered by three different proclamations—one creating the forest reserve, one a game preserve, embracing that part of the national forest north of the river, and the third a monument proclamation.

The Mount Olympus National Monument is nearly as large as the Grand Canyon Monument, and I do know that both of them contain water power that ought to be developed.

Mr. STAFFORD. Does not the gentleman realize that when you designate two special monuments and except some thirty others you are indulging in class legislation, and should not the gentleman advance some pretty strong argument to justify such a position?

Mr. HAYDEN. But I have advanced a strong argument in that the two monuments that I have named contain enormous areas of land, and in each of them there is water power. We do not know whether or not there is any water power in the smaller monuments, but if there is and its development would interfere with the antiquities contained therein, then it should not be utilized. The use of the water power in the Mount Olympus and Grand Canyon Monuments would not interfere with our enjoyment of any of the beauties of nature. That was the case in the Hetch Hetchy bill, which we debated at great length in this House not long ago. This is a parallel case.

These two national monuments, by reason of their great area and from the fact that both contain power sites, ought to be included under the provisions of the bill.

Mr. STAFFORD. The gentleman has referred to the consideration of the Hetch Hetchy proposition. So far as it relates to the Grand Canyon there were some who voted with some reservation in favor of that proposition for fear it might impair somewhat the scenic value——

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I can not see why we should make an exception of this particular character in this bill. The gentleman's statement is that in the consideration of the Hetch Hetchy it developed that it would not impair any of the scenic beauty. Those who opposed that proposition, I think, strongly believed that it would impair the scenic beauties of that park to some extent. Unless some better reason is advanced by the gentleman why we should indulge in class legislation and single out these two monuments for special consideration I shall feel constrained to make the point of order. Another reason why we should not single out two propositions is that it will be a warrant for another body not only to include those two but to include all national monuments. The committee deliberately, after full consideration at the session the other day and to-day, voted to exclude national monuments from the provisions of this bill, and now the gentleman comes in, because perhaps he is somewhat interested in one of these projects near his State—and I do not blame him for it, but only praise him—and wishes to make an exception. I do not think that is very good legislation.

Mr. HAYDEN. If the gentleman will yield, it seems to me that the reasons are ample why an exception should be made in the case of these two monuments, because it appears upon the face of the record that they are both of enormous area and water-power sites are known to exist within their boundaries.

Mr. STAFFORD. This question was considered this morning by the committee, and the committee deliberately struck out national monuments, and I make the point of order that the amendment is not in order, this question having heretofore been disposed of.

The CHAIRMAN. The Chair overrules the point of order.

Mr. MANN. Mr. Chairman, I was called out for a moment. I believe this amendment is an amendment that provides in reference to the Grand Canyon and one other——

Mr. HAYDEN. The Mount Olympus National Monument, in the State of Washington.

Mr. MANN. Shall come within the provisions of this act.

Mr. HAYDEN. Yes, sir.

Mr. MANN. Let me ask the gentleman in reference to the Grand Canyon. That is now under whose control?

Mr. HAYDEN. Under the Secretary of Agriculture.

Mr. MANN. And the other the same?

Mr. HAYDEN. It is administered in the same way.

Mr. MANN. Under the terms of this bill the Secretary of the Interior would not have the authority to grant a temporary permit or a permanent lease without the consent of the Secretary of Agriculture and a certificate that it is not interfering with the scenic beauty of the property.

Mr. HAYDEN. The gentleman states the exact intention of the bill. The Secretary of Agriculture must make a finding that the creation or use of water power within these monuments will not injure or destroy or be inconsistent with the purposes for which they were created.

Mr. MANN. How long is the national monument reservation at the Grand Canyon?

Mr. HAYDEN. My recollection is that it extends along the Colorado River for about 50 miles, 25 miles each way from the Bright Angel Trail.

Mr. MANN. Does the gentleman know how much fall the water has?

Mr. HAYDEN. I have been at the bottom of the canyon and I know there are rapids in the river, but I can not state what the amount of fall per mile is.

Mr. MANN. Is it possible to construct a dam so as to have a reservoir or a lake so it would be quite valuable?

Mr. HAYDEN. I have no doubt of it. Such a scheme has been proposed at different times. I want to say, Mr. Chairman, that the Colorado River offers the only opportunity for the people of my State to obtain any benefit under this act. It is the only large river in Arizona, and if the power possibilities of this stream are not made available for use, then, so far as the people of my State are concerned, this bill might as well not be passed.

Mr. MONDELL. How does this national monument, or any other national monument, come under the jurisdiction of the Secretary of Agriculture? My recollection is that the national monuments are under the jurisdiction of the Secretary of the Interior.

Mr. HAYDEN. The last annual report of the Secretary of the Interior shows that there are 19 national monuments under the jurisdiction of the Secretary of the Interior, 10 under the jurisdiction of the Secretary of Agriculture, and 2 under the jurisdiction of the Secretary of War.

For the information of the House I shall insert in the RECORD a table containing data relative to all of the national monuments that have been created by presidential proclamations.

National monuments administered by Interior Department.

Name.	State.	Date.	Area.
			Acres.
Devils Tower	Wyoming	Sept. 24, 1906	1,152
Montezuma Castle	Arizona	Dec. 8, 1906	160
El Morro	New Mexico	do	160
Chaco Canyon	do	Mar. 11, 1907	20,629
Muir Woods	California	Jan. 9, 1908	295
Pinnacles	do	Jan. 16, 1908	2,080
Tumacacori	Arizona	Sept. 15, 1908	10
Mukuntuweap	Utah	July 31, 1909	15,840
Shoshone Cavern	Wyoming	Sept. 21, 1909	210
Natural Bridges	Utah	Sept. 25, 1909	2,740
Gran Quivira	New Mexico	Nov. 1, 1909	160
Casa Grande Ruin	Arizona	Dec. 10, 1909	480
Sitka	Alaska	Mar. 23, 1910	57
Rainbow Bridge	Utah	May 30, 1910	160
Lewis and Clark Cavern	Montana	May 16, 1911	160
Colorado	Colorado	May 24, 1911	13,883
Petrified Forest	Arizona	July 31, 1911	25,625
Navajo	do	Mar. 14, 1912	360
Papago Saguaro	do	Jan. 31, 1914	2,050

National monuments administered by Department of Agriculture.

Name.	State.	Date.	Area.
			Acres.
Cinder Cone	California	May 6, 1907	5,120
Lassen Peak	do	do	1,280
Gila Cliff Dwellings	New Mexico	Nov. 16, 1907	160
Tonto	Arizona	Dec. 19, 1907	640
Grand Canyon	do	Jan. 11, 1908	805,400
Jewel Cave	South Dakota	Feb. 7, 1908	1,280
Wheeler	Colorado	Dec. 7, 1908	300
Oregon Caves	Oregon	July 12, 1909	480
Devil Postpile	California	July 6, 1911	800
Mount Olympus	Washington	Apr. 17, 1912	608,480

National monuments administered by War Department.

Name.	State.	Date.	Area.
			Acres.
Big Hole Battlefield	Montana	June 23, 1910	5
Cabrillo	California	Oct. 14, 1913	1

Mr. MONDELL. Well, I do not understand how they get under the jurisdiction of these different officials. My understanding is, the law placed national monuments under the jurisdiction of the Secretary of the Interior.

Mr. HAYDEN. The act of June 8, 1906, says:

That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic and scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

I rather think the distinguished gentleman who was President of the United States at that time stretched the law considerably when he created a national monument containing 800,000 acres in Arizona and 600,000 acres in the State of Washington, but he did it, and these great areas are now included in such monuments.

Mr. PAGE of North Carolina. Is it not probable that this came under the jurisdiction of the Secretary of Agriculture because they were under forest reserves, and therefore under his jurisdiction at the time they were decreed as national monuments?

Mr. HAYDEN. I think that is the way it came about.

Mr. STAFFORD. Mr. Chairman, I ask for recognition. The gentleman from North Carolina and the gentleman from Illinois made reference to some phraseology which I believe has been heretofore eliminated in the amendment offered by the gentleman from North Carolina [Mr. PAGE]. The gentleman read the bill as its exists, yet in the amendment as voted this morning, as I understand the amendment, we eliminated the words "national monument," in lines 12 and 15, on pages 12. So that in case the provision is adopted we will have to restore that language.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. HAYDEN].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. HAYDEN. Division, Mr. Chairman.

The committee divided; and there were—ayes 22, noes 8.

So the amendment was agreed to.

Mr. HAYDEN. Now, Mr. Chairman, in order to perfect the bill it will be necessary to reinsert the words "national monument," in line 12, page 2, and in line 15, on page 2—of course referring to only these two national monuments. I ask unanimous consent to make that change, namely, to reinsert those words.

The CHAIRMAN. The gentleman from Arizona asks unanimous consent to insert the words "national monument," in line 12, page 2, after the word "forest," and in line 15, page 2, before the words "or reservation." Is there objection?

There was no objection.

Mr. FOWLER. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, strike out all of line 7, and in line 8 strike out the word "their," and after the word "terms," in line 8, insert the words "of the lease or of this act," so that the language will read: "Which lease shall be declared null and void upon breach of any of the terms of the lease or of this act."

Mr. FERRIS. Mr. Chairman, will the gentleman yield a moment?

Mr. FOWLER. Yes.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the end of 10 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on this amendment be limited to 10 minutes. Is there objection? [After a pause.] The Chair hears none. The gentleman from Illinois [Mr. FOWLER] is recognized.

Mr. FOWLER. Mr. Chairman, the language with which this amendment deals refers entirely to the lease of the property. Line 7 provides that the lease shall not be revoked except as "herein provided." There is no provision in the terms of this paragraph for the revocation of the lease except the following, "but which may be declared null and void upon breach of any of their terms." Now, Mr. Chairman, I call the attention of the members of the committee and also of the members of the Committee of the Whole House on the state of the Union to the fact that the only provision in this section that gives the right to interfere with the lease is this language, "but which may be declared null and void upon a breach of any of its terms." The language just above, in lines 6 and 7, "which leases shall be irrevocable except as herein provided," does not strengthen the bill at all. It does not protect the lessee in anywise whatever, because there is nothing in the bill affecting the right of a lease after it is granted unless there should be a violation of the terms of the lease. While you do not provide that it may be disturbed by a violation of the terms of the act, my amendment adds that much to the language of the bill. I have conferred with a number of the gentlemen who are on the committee, and most of them as far as I can learn agree that the amendment is proper and ought to be adopted, yet I understand there are a few of them who think there is reserve power somewhere in this bill affecting the lease that might be disturbed in some way if this language of the amendment were inserted. I mean the language to the effect that it shall not be revoked unless there is a violation of the terms of the act.

Now, Mr. Chairman, as I say, I think that to strike out line 7 would strengthen the bill, and make it more explicit, and clear up its ambiguity. No action can be taken by the courts unless there should be a violation of the terms of the lease or a violation of the terms of the act. This fixes the terms definitely, both for the lessee and the court.

Mr. BRYAN. Will the gentleman yield?

Mr. FOWLER. Yes.

Mr. BRYAN. Does not the gentleman feel that in adding the words "of this act" he narrows the grounds on which the lease might be terminated? As it is now, the lease can be terminated by a violation of any of the terms on which it is granted, and part of those terms are not of this act, but in the permit.

Mr. FOWLER. All the power in the bill might not be incorporated in the lease. If the provisions of the law are violated, we should provide for a revocation of the lease; and if the terms of the lease are violated, we should also provide for the revocation of the lease.

Mr. BRYAN. The Secretary can fix the rate that can be charged, and if they charge above that the lease will be subject to forfeiture, because it is a part of the terms that the Secretary can regulate them. But if you permit them to revoke on the violation of the terms of this act, you narrow the authority of the Secretary.

Mr. FOWLER. The amendment provides that the lease may be revoked or declared null and void if the lessee should violate any of the terms of the lease or any of the terms of the act itself. That is the intent and spirit of the amendment, and it should be adopted.

Mr. Chairman, I do not desire to take up any more time.

Mr. RAKER. Mr. Chairman, the very object and purpose of this provision is to cover the inefficient, unworkable, unreasonable, unjust law now upon the statute books, that gives the power to the Secretary of the Interior to revoke a permit that a man has for the development of water power after he has expended large sums of money upon it. Everyone that appeared before the committee, without a dissenting voice—every one of those who had experience in the matter—opposed the proposition of putting that back as it is now—that miserable makeshift—revocable permit. The gentleman's amendment puts it back so that the leases may be revocable, and may be declared null and void under the provisions of the act.

Now, mind you, look at the language as it reads here—"which leases shall be irrevocable except as herein provided." It ought to be that way. A man spends his time and his money. He has been given that lease. He ought to have the right to know that it should not be revocable unless the provisions of the lease have been violated, as well as the terms and the conditions provided in the bill. But it may be declared null and void upon breach of the terms of the bill. The gentleman from Illinois [Mr. FOWLER] now wants to change it so as to read "from the terms of this act."

Mr. FOWLER. No; the terms of the lease and the act, both.

Mr. RAKER. Whereas the provision of the bill is that as to all the rules and regulations, those wholesome conditions that may be placed in the lease by the Secretary of the Interior and consented to by the lessee, if they are violated, then in a court of competent jurisdiction that lease may be declared null and void. But at no time and under no circumstances ought this Congress again permit legislation to make leases revocable. It has been the law heretofore.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. RAKER. It is upon the statute books to-day. It has retarded and prevented development. It is preventing development to-day. The gentleman from Illinois wants to say that after we have given this time and consideration to this measure for the purpose of giving relief to the people we should go back now and continue the old law in a different form, and make the statute read so that these leases may be revocable, instead of giving them a fixed term and a fixed price under conditions that they know and understand.

Now, I yield to the gentleman from Illinois.

Mr. FOWLER. Under the terms of the bill, under what conditions could the lease be revoked?

Mr. RAKER. It depends on the language of the bill.

Mr. FOWLER. Where?

Mr. RAKER. I have not the time to go over it and explain. I answered, "under the terms of the bill."

Mr. FOWLER. What terms of the bill?

Mr. RAKER. I have answered the gentleman's question. I have not time to go into details. That is sufficient. The act says, "which lease shall be irrevocable except as herein provided."

Mr. FOWLER. Wherein violated?

Mr. RAKER. Where the lessee has violated it. Where he has done things prohibited in the lease; where he has entered into monopolistic agreements. There is some chance to act under that. But it appears to me that you might just as well defeat any hopes of legislation that will give capital an opportunity for investment if you are going to give a revocable permit and a revocable lease. Let us not lose our heads entirely upon the question of giving men who want to develop these powers some opportunity. You might just as well defeat outright the hopes of the West for the development of these water powers if you are going again to give a revocable permit and a revocable lease.

Mr. SELDOMRIDGE. Mr. Chairman, will the gentleman yield?

Mr. RAKER. What is the difference between a revocable lease and a revocable permit, with the power granted to the lessor, at his pleasure, at his will, and at his caprice, without reason, without law, to say, "I do not like the way you are doing, and I therefore revoke your lease."

Now I yield to the gentleman from Colorado.

Mr. SELDOMRIDGE. I was going to suggest to the gentleman from California that section 2 is very explicit in its language, giving information as to the terms of the lease and the reasons for which it might be revoked.

Mr. RAKER. Yes.

Mr. SELDOMRIDGE. It provides for the diligent, orderly, and reasonable development and continuous operation, and any failure of the lessee to carry out those provisions would work a revocation of the lease.

Mr. RAKER. I say, it subjects it to the mere caprice of one man. He may say, "You did not dig your ditch at the right angle; you did not give it the right elevation; you did not give it the right pitch; you left a few pine trees along the bank on the left side, when somebody said they should be removed; you did not build a concrete conduit at the proper place." Under the provisions of the proposed amendment the Secretary of the Interior may revoke your lease, and therefore you would lose your right and your opportunity. The judgment and final determination of the committee was that the revocable permit—that will-o'-the-wisp—should be ended forever. The West wants development. Give it a fair chance and it will do it. A development of one part of the Nation is an assistance to the whole country. Give capital, brains, and industry a chance to come together. It will benefit all. Let them build up their enterprises; then regulate them. Proper regulations will settle the whole trouble. Deliver us from the revocable permit. The amendment should be voted down. I hope the House will support the committee.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER], which the Clerk will report.

Mr. THOMSON of Illinois. Mr. Chairman, I wish to offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. THOMSON] offers an amendment to the amendment of the gentleman from Illinois [Mr. FOWLER], which the Clerk will report.

Mr. THOMSON of Illinois. To change the word "lease" wherever it occurs in the amendment to the word "leases."

Mr. FOWLER. I accept that amendment, Mr. Chairman, from the singular to the plural. I think it is a proper amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Substitute the word "leases" for the word "lease" wherever it occurs in the amendment.

The question being taken, the amendment to the amendment was rejected.

The CHAIRMAN. The question is upon the amendment of the gentleman from Illinois [Mr. FOWLER].

The question being taken, Mr. FOWLER asked for a division.

The committee divided; and there were—ayes 13, noes 19.

Accordingly the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto do now close. I do not want to cut off amendments, but I do not think we ought to debate this another day, and afterwards I want to move that the committee rise.

Mr. FOWLER. I have one other amendment.

Mr. MANN. Mr. Chairman, I make the point of order that there is no quorum of the committee present.

Mr. UNDERWOOD. Mr. Chairman, I appeal to the gentleman from Illinois to withdraw that point, and ask the gentleman from Oklahoma to move that the committee rise.

Mr. MANN. All the gentleman has to do is to move to rise.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and had come to no resolution thereon.

DISCOUNTS OF ACCEPTANCES BY FEDERAL RESERVE BANKS.

Mr. GLASS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill (H. R. 15038) proposing an amendment to the Federal reserve act relative to acceptances, and for other purposes, as follows:

Be it enacted, etc., That section 13, paragraphs 3, 4, and 5, of the act approved December 23, 1913, known as the Federal reserve act, be amended and reenacted so as to read as follows:

"Any Federal reserve bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than six months and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made, except by authority of the Federal Reserve Board, and under such regulations as said board may prescribe.

"The aggregate of such notes and bills bearing the signature of indorsement of any one person, company, firm, or corporation rediscounted for any one bank shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months' sight to run, but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up capital stock and surplus, except by authority of the Federal Reserve Board, under such regulations as said board may prescribe."

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I think the gentleman ought to explain to the House what change this makes, so that we will understand it.

Mr. GLASS. Mr. Speaker, this bill is designed to amend three paragraphs of the Federal reserve act so as to facilitate the financing of the exportation of cotton, grain, and other products of this country. As the act stands, it puts a limitation upon the amount of discounts that any regional reserve bank or member bank may make of acceptances based upon the exportation or importation of goods. The limitation is one-half of the capital stock and unimpaired surplus of the bank. The proposition of this amendment is to invest the Federal Reserve Board with power to suspend this limitation from time to time, in its discretion. It was ascertained by the organization committee of the Federal reserve banking system that there have grown up in this country quite a number of banking institutions that make a specialty of financing the exportation of grain, cotton, and other products, and these banks have built up a large business—a very much greater business than the limitation contained in the law would accommodate. The banks in question complained of this limitation, and I introduced this bill on the 25th of March last; but I did not press it, because there seemed to be no immediate demand for action pending the organization of the Federal reserve system. But now, with this European war confronting us, it is desired by the Federal Reserve Board to facilitate in every possible way the exportation of our grain, cotton, and other products, and this is a simple proposition to authorize the Federal Reserve Board to suspend this limitation upon the amount of acceptances that an individual bank may discount or that the regional banks may rediscount.

Mr. FARR. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. FARR. What is the limitation on?

Mr. GLASS. An amount equal to one-half of the capital stock and surplus of the bank.

Mr. STAFFORD. Is that the only change that has been made, or is there a change in respect to the duration?

Mr. GLASS. There is one other change, as to the duration. The law now provides that the regional reserve bank may discount these acceptances with a maturity of three months. The individual bank may discount acceptances with a maturity of six months; but the individual banks in such case will have to carry these discounted bills for three months before they are available for rediscount at the regional reserve bank, and we propose to alter that so as to permit the regional reserve bank to rediscount these six months' bills immediately.

Mr. STAFFORD. So the regional reserve bank may rediscount them immediately upon their presentation by the original bank?

Mr. GLASS. That is true. The reason for this is that it was testified before the committee by gentlemen having close contact with our export trade that it required six months to consummate a business engagement of that sort with the Orient and with the South American countries.

Mr. FITZGERALD. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Yes.

Mr. FITZGERALD. As I understand the gentleman's explanation, these changes would have been suggested regardless of the present European situation, but that situation merely makes it more desirable to hasten the changes.

Mr. GLASS. That situation has accentuated the desirability for the change.

Mr. STAFFORD. Will the gentleman explain the theory which actuated the committee in having the original bank of discount hold the paper six months before having it rediscounted by the regional reserve bank?

Mr. GLASS. I can do that.

Mr. STAFFORD. I do not wish to make the gentleman enter into any elaborate statement. If it will do so, I will withdraw the query.

Mr. GLASS. We were engaged in quite a controversy in the Democratic caucus over the maturity of agricultural paper. Under the rediscount clause of the bill agricultural paper had but 90 days to run. The point was made by some member of the caucus that we were extending to the banks a six months' privilege that we did not extend to the individual farmer. We did not seem able to explain to the satisfaction of that member that conditions were different, and that these six months were necessary to consummate export transactions with the Orient and with the South American Republics, but not necessary to close up domestic transactions.

Mr. STAFFORD. Then, as I understand the gentleman, there was really no reason for carrying the original limitation?

Mr. GLASS. Not in my opinion.

Mr. CANTOR. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. CANTOR. Does the Federal Reserve Board favor this measure?

Mr. GLASS. Yes; I bring it up at the suggestion of members of the Federal Reserve Board.

The SPEAKER. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, what objection is there to the Committee on Banking and Currency considering this bill?

Mr. GLASS. There is no objection, Mr. Speaker, except that there is not a quorum of the Committee on Banking and Currency in the city. I have made an effort to consult such members as are here—I did not happen to see the member from Arkansas—but I have seen five or six of the majority members and three or four of the minority members, and have submitted the matter to the minority leader and the majority leader, all of whom concur. I have done everything possible to make things agreeable.

Mr. WINGO. There is a majority of the committee, including the Republicans, in the city—a majority of two—or within a few hours' call of the city; and as the gentleman proposes by this bill to take the limit off absolutely, that is quite the effect of it. The gentleman takes off the limitations now in the present law in paragraphs—I believe they are 4 and 5 which the gentleman amends——

Mr. GLASS. Yes.

Mr. WINGO. Section 13.

Mr. GLASS. I will say to the gentleman from Arkansas the proposition does not take the limitation off. It authorizes the Federal Reserve Board, in its discretion, to suspend the limitation.

Mr. WINGO. Of course it removes all legislative limitation entirely. Under the proposed change the Federal Reserve Board can let one of these banks handle these foreign bills of exchange to the extent of 125 or 200 per cent of the capital and surplus.

Mr. GLASS. It is a discretion which the Federal Reserve Board may exercise.

Mr. WINGO. I think that a matter of this importance ought to be considered by the committee, and in addition there are other amendments which Members would like to consider.

Mr. GLASS. I will say, Mr. Speaker, that the effort recently made to get the committee together on propositions more vital than this failed; and as I shall be compelled to leave Washington this evening for several days, owing to a death in my family, I do not think it is practicable to attempt to get a committee meeting.

Mr. COOPER. Mr. Speaker, will the gentleman yield for a question?

Mr. GLASS. I will.

Mr. COOPER. Is this urged now because this is a war emergency?

Mr. GLASS. Well, I introduced the bill last March. It is urged right now because an emergency has arisen in the matter of marketing abroad cotton, grain, and other crops.

Mr. COOPER. I noticed it was introduced the 25th of last March, long antedating the war scare, and I wondered what the emergency was at this time.

Mr. GLASS. It is simply thought very desirable at this time upon representations made by the American banks which have been in the habit of financing our export trade.

Mr. COOPER. Why did not you provide for it in the original currency bill?

Mr. GLASS. We did; but there is a limitation in the original currency bill on the amount the bank may accept in this foreign trade, and this amendment proposes to give the Federal Reserve Board the discretion to suspend the limitation.

Mr. COOPER. Did not the importance of the proposed amendment occur to the committee, or had it been called to their attention when the bill was introduced or after that?

Mr. GLASS. Oh, the matter was discussed in the committee and in the caucus and in the House; but as the business of exceptances was something new to our financial system the caucus and the House thought we would better be cautious about it in the beginning. The Federal Reserve Board thinks now that this would very largely facilitate the financing of the cotton, grain, and other export crops.

Mr. FARR. Will the gentleman yield for a question?

Mr. GLASS. Yes.

Mr. FARR. Is there any emergency as regards money in this present situation? Is it not a matter of ships in which to export our goods?

Mr. GLASS. Yes; but what would be the use of getting shipping facilities if we should not also be able to finance the crops? Exchange is in a state of confusion now, and this would help.

Mr. GOOD. Will the gentleman yield for a question?

Mr. GLASS. Yes.

Mr. GOOD. There has been some considerable misunderstanding and no little criticism in regard to a ruling of the comptroller with regard to that provision of the bill which provides, if I recall the provision correctly, that national banks can loan 50 per cent of their capital and surplus on farm mortgages, or one-third of their time deposits.

Mr. GLASS. Twenty-five per cent of their capital and surplus, or one-half of their time deposits.

Mr. GOOD. As I understand, the Comptroller of the Currency has ruled that where a national bank has a capital and surplus, say, of $50,000, they could loan then to the extent of $12,500. Is that correct?

Mr. GLASS. Yes.

Mr. GOOD. And if that bank had time deposits of $400,000, the comptroller has ruled it can not loan on farm mortgages to exceed $12,500, thus practically nullifying that provision of the law with regard to time deposits. I would like to ask the gentleman if there would be any objection, now that it is proposed to amend the act, to amending by inserting some provision to make clear the intention of Congress that national banks could loan on real estate to the extent of one-third of their time deposits?

Mr. GLASS. As a matter of fact, I do not think the Comptroller of the Currency is authorized to make any "ruling" upon that question at all. It is a question that the Federal Reserve Board, composed of six other members besides the Comptroller of the Currency, will have to rule upon. I think the law is perfectly clear—as I know the intention of Congress was

perfectly clear—to permit banks to loan 50 per cent of their time deposits; but that is not relevant now.

Mr. GOOD. I know it is not relevant to the proposed amendment; but at this time in those sections of the country where national banks located in small towns do want to make loans on farm securities they are not permitted to do so.

Mr. GLASS. I think the law is perfectly clear. At least, it is clear to my mind on that point.

Mr. GOOD. The gentleman is familiar with the ruling of the Comptroller of the Currency on that point?

Mr. GLASS. I do not think that official is authorized to make a ruling on this point. He may have given an opinion, and if he has given the opinion indicated by the gentleman from Iowa, it is an opinion I do not agree with.

Mr. TEMPLE. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. TEMPLE. Has the new Federal reserve system fully gone into effect yet?

Mr. GLASS. No; it has not.

Mr. TEMPLE. How can the ruling of the Comptroller of the Currency affect the operation of a law that has not gone into effect?

Mr. GLASS. I have said that I do not think the Comptroller of the Currency is authorized to rule upon a law that has not gone into effect, especially upon a question committed to the Federal Reserve Board.

Mr. TEMPLE. When it has gone into effect they will have a Federal Reserve Board and not the comptroller?

Mr. GLASS. I have said so.

Mr. GOOD. As I said to the gentleman, the ruling was made two months ago, at least, and was just as I have indicated. It was sent out as a department circular, signed by John Skelton Williams, comptroller. It is as follows:

TREASURY DEPARTMENT,
Washington, April 15, 1914.

To the CASHIER.

SIR: You are advised that section 24 of the Federal reserve act provides that—

"Any national-banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district, but no such loan shall be made for a longer time than five years, nor for an amount exceeding 50 per cent of the actual value of the property offered as security. Any such bank may make such loans in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits, and such banks may continue hereafter, as heretofore, to receive time deposits and to pay interest on the same."

National banks may therefore now legally make loans secured by real estate, provided they conform to the requirements of the law, including the following:

1. Real estate security must be farm land.
2. It must be improved.
3. There must be no prior lien.
4. Property must be located in the same Federal reserve district as the bank making the loan.
5. The amount of the loan must not exceed 50 per cent of the actual value of the property upon which it is secured.
6. The loan must not be for a period longer than five years.
7. The total of such loans by any bank must not exceed one-third of its time deposits, and must in no case exceed one-fourth of the capital and surplus of the bank.

In order that the examiner may readily classify real estate loans held by a bank at the date of his examination, a statement signed by the officers making the loan, and having knowledge of the facts upon which it is based, must be attached to each note, certifying in detail, as of the date of the loan, that the requirements of law have been duly observed.

Respectfully, JNO. SKELTON WILLIAMS,
Comptroller.

Mr. GLASS. It may have been an opinion. It was not a "ruling." In this connection I would like to correct the widespread misconception about the Federal reserve act imposing a limitation upon loans on real estate by State banks and trust companies which may become members of the system. It does nothing of the sort. It simply contains an enabling provision which permits national banks to loan on farm mortgages—something they could not do under the national-bank act. The Federal reserve act does not intefere with the real-estate loans of State banks and trust companies in any particular.

Mr. WINGO. When do you think these Federal reserve banks will go into operation?

Mr. GLASS. I have been told it will be a matter of nearly 90 days.

Mr. WINGO. It will be 90 days before these banks will be established and get to doing business?

Mr. GLASS. I have had that opinion from one member of the Federal Reserve Board. On the contrary, the Secretary of the Treasury told me yesterday they were going into the oganization of the system right away.

Mr. WINGO. But to get into perfect working order it is your judgment it will take about 90 days, is it?

Mr. GLASS. To get the entire system into perfect working order; but it may be possible, Mr. Speaker, to organize the banks in the three central reserve cities right away, in order to take care of the exportation of cotton, grain, and other products.

Mr. WINGO. Now, Mr. Speaker, I wanted to suggest this: That I think the question of marketing the cotton crop and getting it to Europe and the exchanges are not the only problems. I think it is not so much a question of what you are going to do with the cotton crop as what you are going to do for the man who has produced it and has not any market for it now. It is very evident that you are not going to have any very great amount of cotton to export before these banks get into operation, some 30, 60, or 90 days from now. And there are some other amendments that the cotton producers think are very necessary to that act to meet the real emergency, and for that reason I think we ought not to take but one bite at the cherry. I think the committee ought to be gotten together, as it is easily done. The gentleman states that an effort to get them together heretofore has failed. I will state that I have been present every time it has been called. The last time I was the only man present.

Mr. GLASS. I made no criticism of anybody. I simply stated the fact that two attempts by me to get a meeting proved unavailing.

Mr. WINGO. The proposal involves the foreign exchanges of the country, and it authorizes the Federal Reserve Board to take the limit off. For that reason, Mr. Speaker, as we can not get the banks in operation for some time, I object. Let the gentleman get the committee together and consider this as well as other proposed amendments that are of more vital importance. The committee has a right to consider it, and the House is entitled to the judgment of the committee as a committee, and not merely the judgment of a few members consulted in private.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] objects.

Mr. GOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the ruling of the comptroller that I have referred to.

The SPEAKER. The gentleman from Iowa [Mr. GOOD] asks unanimous consent to extend his remarks in the RECORD by printing the ruling of the comptroller. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until Monday, August 17, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TEN EYCK, from the Committee on the Library, to which was referred the resolution (H. J. Res. 234) directing the selection of a site for the erection of a statue in Washington, D. C., to the memory of the late Maj. Gen. George Gordon Meade, reported the same with amendment, accompanied by a report (No. 1089), which said resolution and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CLAYPOOL, from the Committee on the District of Columbia, to which was referred the bill (S. 5798) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn., reported the same without amendment, accompanied by a report (No. 1090), which said bill and report were referred to the Private Calendar.

Mr. BRITTEN, from the Committee on Naval Affairs, to which was referred the bill (H. R. 17954) for the relief of Frank Kinsey Hill, captain on the retired list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1091), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIEST: A bill (H. R. 18380) providing for the erection of a public building at the city of Lancaster, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. DOUGHTON: A bill (H. R. 18381) providing for the purchase of a site and the erection thereon of a public building at Albemarle, in the State of North Carolina; to the Committee on Public Buildings and Grounds.

By Mr. MERRITT: A bill (H. R. 18382) for the purchase of a site and the erection thereon of a public building at Port Henry, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. TEN EYCK: A bill (H. R. 18383) to provide better sanitary conditions in composing rooms within the District of Columbia; to the Committee on the District of Columbia.

By Mr. LOBECK: A bill (H. R. 18384) to provide for a site and United States post-office at Omaha, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. GOLDFOGLE: Concurrent resolution (H. Con. Res. 46) providing for the printing of additional copies of House Documents Nos. 939 and 908, of the Sixty-third Congress, relative to the dress and waist industry in New York City; to the Committee on Printing.

By Mr. MURDOCK: Resolution (H. Res. 592) requesting the Secretary of the Treasury to inform the House of Representatives of the number of persons paying taxes upon incomes of more than $250,000 a year; to the Committee on Ways and Means.

By Mr. ROGERS: Resolution (H. Res. 593) authorizing the printing of 5,000 copies of The Hague Conventions of 1899 and 1907, as a House document; to the Committee on Printing.

By Mr. FARR: Resolution (H. Res. 594) authorizing the Secretary of Agriculture to investigate the cause or causes of advances in the price of foodstuffs; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK of Missouri: A bill (H. R. 18385) for the relief of the widows of L. W. Hughes and L. A. Cain; to the Committee on Appropriations.

By Mr. COOPER: A bill (H. R. 18386) granting an increase of pension to John C. Magill; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 18387) granting an increase of pension to Fenimore P. Cochran; to the Committee on Invalid Pensions.

By Mr. LEVER: A bill (H. R. 18388) for the relief of the Ursuline Convent; to the Committee on War Claims.

By Mr. MACDONALD: A bill (H. R. 18389) granting a pension to Chester H. Bettison; to the Committee on Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 18390) granting a pension to Lydia F. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18391) granting an increase of pension to Mary M. Ayers; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 18392) for the relief of Ed Van Buskirk; to the Committee on Claims.

By Mr. STEPHENS of Nebraska: A bill (H. R. 18393) granting an increase of pension to Melissa E. Dickinson; to the Committee on Invalid Pensions.

By Mr. TALCOTT of New York: A bill (H. R. 18394) granting an increase of pension to Anna Fetterly; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 18395) granting a pension to George W. Townsend; to the Committee on Pensions.

Also, a bill (H. R. 18396) granting an increase of pension to Oscar Stice; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request and under the rule): Petition of D. H. Johnston, governor of the Chickasaw Nation, relative to distribution of the Choctaw-Chickasaw funds; to the Committee on Indian Affairs.

Also (by request and under the rule), petition of the Evangelical Slovak Union, against making Columbus Day a national holiday; to the Committee on the Judiciary.

Also (by request and under the rule), petition of Wharton Barker, of Philadelphia, Pa., relative to building up United States merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. BAILEY: Petition of letter carriers of Hollidaysburg, Pa., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. BROWNING: Petition of 20 citizens of Wenonah, N. J., favoring national prohibition; to the Committee on Rules.

By Mr. GRAY (by request): Petition of sundry citizens of the sixth congressional district of Indiana relating to Senate joint resolution 144 and House joint resolution 282, to investigate claims of Dr. F. A. Cook to be discoverer of the North Pole; to the Committee on Naval Affairs.

By Mr. HELGESEN: Petition from 30 citizens of North Dakota, praying for the passage of the Hobson resolution for national prohibition; to the Committee on Rules.

By Mr. KEISTER: Petition of L. J. Miller, of Sutersville, Pa., against national prohibition; to the Committee on Rules.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Nebraska City, Nebr., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Mr. H. L. Smith, of Gouverneur, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mr. H. L. Smith, of Gouverneur, N. Y., favoring the passage of the Sheppard-Hobson resolution providing for a national prohibition amendment; to the Committee on Rules.

Also, petition of Mr. George H. Springs, of Port Henry, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of Mr. George H. Springs, of Port Henry, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

By Mr. NEELEY of Kansas: Petition of the Shaw League and Shaw Sunday School, of Gray County, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. J. I. NOLAN: Protest of the Marine Engineers' Beneficial Association, of San Francisco, Cal., against legislation that would permit other than American citizens licensed by the Steamboat-Inspection Service serving on any vessel under the American flag; to the Committee on the Merchant Marine and Fisheries.

Also, protest of the Tobacco Association of Southern California, against an increase of taxes on manufactured cigars; to the Committee on Ways and Means.

By Mr. PROUTY: Petition of the faculty and students of the Highland Park College, of Des Moines, Iowa, asking for an adjustment of the polar controversy; to the Committee on Naval Affairs.

By Mr. SINNOTT: Petition of 39 citizens of Wasco County, Oreg., favoring national prohibition; to the Committee on Rules.

Also, petition of 14 citizens of Sumpter, Oreg., and the labor union of Baker, Oreg., against national prohibition; to the Committee on Rules.

By Mr. SAMUEL W. SMITH: Petition of S. J. Pollock and others, of Belleville, Mich., against House bill 16904 relative to the Sibley Hospital; to the Committee on the District of Columbia.

By Mr. STEPHENS of California: Petition of the Tobacco Association of Southern California, against increased taxes on manufactured cigars; to the Committee on Ways and Means.

SENATE.

MONDAY, *August 17, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. O'GORMAN. Mr. President, I ask that the pending conference report be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the conference report on House bill 18202.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Mr. GALLINGER. Mr. President, I would suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.